FACULTY OF ENGINEERING
B.E. 2/4 (M/P/AE) I – Semester (Suppl.) Examination, July 2014

Subject: Managerial Economics and Accountancy

Time: 3 Hours   **Max.Marks: 75**

Note: Answer all questions from Part A. Answer any five questions from Part B.
PART – A (25 Marks)

1	What is wealth economics?	2
2	Short-run and long-run demand.	3
3	Define incremental principle.	2
4	What is cross elasticity of demand? Explain.	3
5	Explicit cost Vs implicit cost.	3
6	What is margin of safety? Explain.	2
7	Accounting rate of return method.	2
8	What is trial balance?	3
9	What is working capital?	2
10	Write about BRS.	3

PART – B (50 Marks)

11 Define managerial economics. Illustrate how it helps in solving managerial problems.

12 Define price elasticity of demand. Explain its significance.

13 Describe the law of variable proportions.

14 From the following determine (a) Break-even point (b) Margin of safety.

	I Year (Rs)	II Year (Rs)
Sales	50,000	1,20,000
Fixed cost	10,000	20,000
Variable cost	30,000	60,000

15 Explain the factors that determine the requirement of working capital.

16 What do you understand by 'demand forecasting'? Explain different methods of demand forecasting.

17 From the following particulars, prepare BRS as on 31 March, 2007.
1 Balance as per bank book Rs. 12,300
2 Cheques sent for collection but not collected Rs. 3,300
3 Cheques issued but not presented for payment Rs. 2,300
4 the bank had debited the firm's account by Rs. 70 on account of bank charges.

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