

## FACULTY OF ENGINEERING

B.E. 2/4 (M/P/AE) I – Semester (Main) Examination, November 2013

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. Distinguish between economics and managerial economics. (3)
2. Oligopoly market. (3)
3. What are the determinants of demand? (3)
4. Distinguish between firm and industry. (3)
5. Marginal cost and average cost concepts. (3)
6. What are the sources of working capital and fixed capital? (2)
7. Distinguish between N.P.V. and pay-back period. (2)
8. Double entry principle. (2)
9. Subsidiary books. (2)
10. Petty cash book. (2)

### PART – B (5 x 10 = 50 Marks)

11. Define managerial economics and explain its importance in decision making processes.
12. Define the law of demand and discuss its assumptions and limitations.
13. What do you mean by production function and explain, how is it useful in the determination of input output combination of the firm.
14. a) What is meant by break-even point? Discuss its managerial uses. (5)
- b) Calculate the break-even point from the following information ; both in units and sales value. (5)

Out put = 1500 units  
 Variable cost per unit = Rs.10/-  
 Total fixed cost = Rs.10,000/-  
 Selling price per unit = Rs.15/-