

FACULTY OF ENGINEERING**B.E. 3/4 (EE/Inst.ECE) II-Semester (New) (Main) Examination, May 2013****Subject : Managerial Economics and Accountancy****Time : 3 Hours****Max. Marks: 75****Note: Answer all questions of Part - A and answer any five questions from Part-B.****PART – A (25 Marks)**

1. Risk and uncertainty (2)
2. Average cost Vs Marginal cost (3)
3. Wealth definition of economics (3)
4. Cobb-Douglas production function (2)
5. Price elasticity of demand (3)
6. Average rate of return method (2)
7. Qualitative method of Demand forecasting (3)
8. Permanent and variable working capital. (3)
9. Journal proper (2)
10. Book keeping Vs. Accounting (2)

PART – B (50 Marks)

11. Discuss the significance of managerial economic.
12. What is law of demand? Explain with the help of diagram.
13. How price and output is determined under perfect competition?
14. What are subsidiary books? Explain each with example.
15. A firm with a required rate of return of 10% is considering a project that requires an initial outlay of Rs.15,500.

Years	1	2	3	4	5
Cash inflows (Rs)	3000	4000	6000	5000	4000

Calculate the internal rate of return and suggest whether the project is acceptable or not.

16. Calculate the profit-volume ratio and Break-even point both in terms of units and sales from the following information.

Fixed cost = Rs.3,00,000

Variable cost per unit = Rs.20

Selling price per unit = Rs.30

17. From the following details, prepare a Trial Balances as on 31st March 2004.

Particulars	Amount (Rs)	Particulars	Amount (Rs)
Capital	24,405	Salaries	2,000
Drawings	1,500	Bank loan	2,400
Freehold premises	5,800	Sales	22,500
Sundry debtors	6,750	Opening stock	10,000
Purchases	11,500	Bills payable	3,425
Creditors	4,250	Carriage on purchases	150
Furniture	2,500	Wages	7,535
General expenses	1,625	Banks charges	150
Return inwards	450	Carriage on sales	175
Postage	125	Discount received	140
Discount allowed	420	Cash in hand	240
Cash at Bank	1,200	Bills receivable	5,000