

FACULTY OF ENGINEERING & INFORMATICS**B.E. 3/4 (CE/CSE/IT) I-Semester (New) Examination, November / December 2012****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. Today the Economics Laws, Principle methods and techniques are applied to the management decision making process calling it as subject. (2)
2. Relationship between input and output is known as. (2)
 - (a) Production function
 - (b) Demand function
 - (c) Supply function
 - (d) None of the above
3. Risk and uncertainty. Explain. (3)
4. Match the following: (4)

(a) Managerial Economics	(i) Non-cash transaction
(b) Income elasticity of demand	(ii) Micro economics
(c) Bad debt	(iii) Measure of responsiveness of demand for a product for a change in its income
(d) Depreciation	(iv) A debt which is irrecoverable
	(v) Cash transaction
5. Explain contribution. (2)
6. Opportunity cost principle. (2)
- 7.(a) Depreciation is included in cost in case of _____ (1)
 - (b) The process of transferring the transactions from Journal to the ledger is called _____ (1)
8. Journalise the following transaction : (3)
 - (a) Ram commenced business with cash Rs.50,000
 - (b) Deposited in bank Rs.40,000
 - (c) Machinery purchased for cash Rs.30,000
9. State the use of subsidiary books. (3)
10. The difference between break-even sales and the actual sales beyond the break even point. (2)
 - (a) Margin of safety
 - (b) Variable expenses
 - (c) Fixed expenses
 - (d) None of above

PART – B (5x10=50 Marks)

11. What do you mean by demand forecasting? Explain the different techniques of demand forecasting.
12. What is perfect competition ? Explain its features.
- 13.(a) What is Break-even analysis? And how it is useful for managerial decision?
 (b) Variable cost per unit Rs.10, selling price per unit Rs.15 and Fixed cost Rs.10,00,000
 Find :
 - (i) BEP in units
 - (ii) indicate the number of units to be sold to earn a profit of Rs. 10,000
14. What is working capital? Explain the factors determining working capital requirement of a firm.

..2..

- 15.(a) Explain the various accounting concepts.
 (b) Calculate the pay back period of the following projects each requiring cash outlay of Rs.1,00,000. Suggest which project are acceptable if the standard payback period is 5 years.

Year	Cash inflow project 'A'	Cash inflow project 'B'
1	30,000	30,000
2	30,000	40,000
3	30,000	20,000
4	30,000	10,000
5	30,000	5,000

16. From the following particulars prepare Bank Reconciliation Statement as on 31-12-2006

- (a) Bank Balance as per Pass Book Rs.12,000
 (a) Cheques deposited but not collected by the bank Rs.5,000
 (b) Cheques issued but not presented for payment Rs.8,000
 (c) Dividends collected by bank and credited in Pass book not entered in Cash book Rs.450
 (d) Insurance Premium paid by bank and debited in pass book not recorded in cash book Rs.50

17. From the following particulars prepare Trading and Profit and Loss account for the year ended 31st December, 2008 and Balance Sheet as on date.

TRIAL BALANCE

Particulars	Debit (Rs.)	Credit (Rs)
Sales	-	1,28,000
Duty and clearing charges	3,500	-
Purchases	50,000	-
Bank overdraft	-	6,000
Capital	-	30,000
Drawings	6,000	-
Sundry Creditors	-	43,000
Bills Payable	-	4,000
Sundry Debtors	51,000	-
Bills Receivable	8,000	-
Loan advance to Sham & Co	10,000	-
Fixtures and fittings	7,500	-
Stock on 1-1-1996	47,000	-
Cash in hand	900	-
Machinery	12,500	-
Commission Received	-	4,000
Salaries	9,500	-
Sales Returns	1,000	-
Purchase Returns	-	1,100
Commission & Travelling expenses	4,700	-
General expenses	2,500	-
Rent paid	2,000	-
	<u>2,16,100</u>	<u>2,16,100</u>

Adjustments:

1. Stock on 31-12-1996 was Rs.60,000
2. Outstanding Salaries Rs.300 ; Rent Rs.400
3. Depreciate machinery by 10% fixtures fittings by 5%
4. Commission received in advance Rs.500
5. Allow interest on Capital @ 8% p.a.
