

**FACULTY OF ENGINEERING****B.E. 2/4 (M/P) I-Semester (Main) 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. Explain the Welfare definition of Economics. (2)
2. What is cross demand? Give examples. (2)
3. What is Ledger? And explain its purpose. (2)
4. Explain about money measurement concept. (2)
5. Define the term Monopoly. (2)
6. Discuss the features of perfect competition. (3)
7. Distinguish between NPV and IRR methods. (3)
8. What is depreciation and explain how it is treated in Final Accounts. (3)
9. Discuss briefly about subsidiary books. (3)
10. What is Petty cash book? Discuss its importance. (3)

**PART – B (5x10=50 Marks)**

11. Define Managerial Economics and discuss its structural features and how it is useful to Engineers?
12. Define Demand forecasting and explain the methods of demand forecasting.
13. Explain the laws of returns to scale and discuss the economies of Large scale production.
14. Calculate the break-even point, margin of safety and sales required to earn a profit of Rs.50,000 from the following :
 

	Rs.
Sales	4,00,000
Fixed cost	75,000
Direct Material cost	2,00,000
Direct Laobur	60,000
Direct expenses	40,000
15. The cash outlay of a project is Rs.5,00,000. Its Life span is 5 years. The cash of inflows after taxes are given below:

Year	Cash inflows after taxes
1	Rs.3,00,000
2	Rs.2,00,000
3	Rs.1,00,000
4	Rs. 50,000
5	Rs. 50,000

Calculate : (i) NPV at discount rate of 10%  
(ii) IRR

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16. Prepare Bank Reconciliation Statement from the following information:
- Balance as per cash books Rs.39,000
  - Cheques issued worth Rs.2,800 but not paid by the bank before due date
  - Cheques deposited worth Rs.8,400, but not collected by the bank before the due date
  - Interest on deposit credited to Pass Book Rs.425/- but there was no entry in cash book
  - Direct payment made by third party into Customer's Account in Bank 1,500/- but there was no information to the Customer about it before due date.
17. Prepare Final Accounts from the following Trial Balance for the year ended 31-12-2010, in the books of Rajesh Textiles Co. Ltd.

Debit Balances	Rs	Credit Balances	Rs.
Purchases	85,000	Loan Account	25,000
Opening Balance of stock	24,000	Capital Account	8,00,000
Sales Returns	1,000	Creditors	7,500
Wages	35,000	Sales Account	1,75,000
Freight	18,000	Purchase Returns	300
Power	6,000	Commission	4,200
Salaries	60,000		
Administrative expenses	15,000		
Rent Account	25,000		
Machinery	4,00,000		
Furniture	3,00,000		
Cash	9,000		
Bank	22,000		
Debtors	<u>12,000</u>		
	10,12,000		<u>10,12,000</u>

**Adjustments:**

- Closing stock Rs.9,300
- Outstanding Salary Rs.2,000
- Provide depreciation @ 10% on machinery and 5% on furniture
- Bad Debts Rs.3,200

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