

FACULTY OF ENGINEERING

B.E. (III/IV Year) (EE/Inst./ECE) II Semester (Main) Examination, June 2010

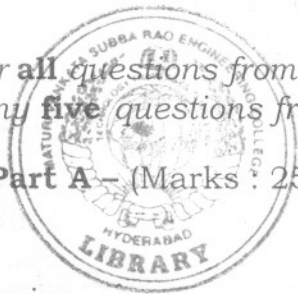
MANAGERIAL ECONOMICS AND ACCOUNTANCY

Time : 3 Hours]

[Max. Marks : 75

Answer **all** questions from Part A.
Answer any **five** questions from Part B.

Part A – (Marks : 25)

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1. Concept of Opportunity Cost. 2
 2. Concept of Managerial Economics. 2
 3. What are the features of monopoly market. 2
 4. What is Cross elasticity. 2
 5. Out of pocket cost and Imputed cost. 2
 6. What is Break Even point. 3
 7. What is Internal Rate of Return. 3
 8. What is the need of working capital in an organization. 3
 9. Explain the Money Measurement Concept. 3
 10. What is the Ratio Analysis. 3

Part B – (Marks : 50)

Answer any **five** questions.

11. Discuss the scope and significance of Managerial Economics in Decision-making.
12. What are the factors influencing on the demand of the product?
13. What are the features of perfect competition? How the price and output decisions of a firm are made under perfect competition?
14. Explain various cost concepts useful for decision making.
15. The following data are available from the records of a company.

Sales	Rs. 1,20,000
Variable Cost	Rs. 70,000
Fixed Cost	Rs. 30,000

You are required to calculate P/V ratio, Break Even Point, and margin of Safety. Also study the impact of change in the following variables on P/V ratio, BEP and Margin of Safety.

- a) Increase in Selling price by 10%
- b) Decrease in fixed cost by Rs. 3,000

16. From the following Trail Balance prepare final accounts for the year ending 31st March 2008.

Particulars	Debit Rs.	Credit Rs.
Capital		8500
Machinery	3,320	
Opening stock	2,920	
Purchases & Sales	20,724	23,812
Returns inwards & outwards	420	582
Sundry Expenses	880	
Rent	640	
Bank Overdraft		640
Bad debts	344	
Debtors & Creditors	6,400	2,000
Cash at office	96	
Bills receivable & Bills payable	480	570
Discount		120
	36,224	36,224

The following adjustments are required :

- i) Closing stock Rs. 3,400
- ii) Outstanding rent is Rs. 80
- iii) Advance paid tax Rs. 160
- iv) Depreciation on Machinery at 10% p.a.

17. Explain Double entry system of book-keeping. What are the advantages of accounting?