

FACULTY OF ENGINEERING**B.E.VI – Semester (CBCS) (ECE)(Main) Examination, May / June 2019****Subject: Managerial Economics and Accountancy****Time: 3 Hours****Max. Marks: 70****Note: Answer all questions from Part-A & any five questions from Part-B****PART – A (2 x 10=20 Marks)**

1. Define managerial economics.
2. Explain opportunity cost principle.
3. Write about price elasticity of demand.
4. What is demand schedule?
5. Differentiate explicit cost and implicit cost
6. Define monopoly
7. Write any two sources of capital
8. What do you mean by working capital?
9. Write the rules of accounting.
10. How outstanding income given in adjustment are dealt in final accounts?

PART – B (5 x 10 = 50 Marks)

- 11) a) What are the usefulness of managerial economics 5
b) Write about the law of demand and also its exceptions 5
- 12) a) Explain internal economies of scale 5
b) Price out-put determined under perfect competition. 5
- 13) a) Write about the short run cost function. 5
b) Describe the conventions of accounts. 5
- 14) from the following information calculate: 10
1) B.E.P in units
2) B.E.P in Rs.
3) number of units to be sold to earn a profit of Rs. 50,000
Fixed cost Rs. 40,000, selling price per unit Rs. 12 ,variable cost per unit Rs.8
- 15) A project requires an investment of Rs.10,00,000. The plant and machinery required under the project will have a scrap value of Rs.80,000 at the end of its useful life of 5 Years. The profit after tax and depreciation are estimated to be as follows: 10

Year	1	2	3	4	5
Rs.	50,000	75,000	1,25,000	1,30,000	80,000

Calculate Net present value.

- 16) Prepare Bank Reconciliation statement as on 31-12-2017 from the following particulars of Anand Rao
 - a) Bank balance as per pass book Rs.28,000
 - b) Cheques deposited in bank on 28-12-2017 amounted to Rs.3,400 were not credited.
 - c) Cheques amounting to Rs.4,000 issued before 27-12-2017 were not presented for payment.
 - d) Interest on deposits Rs.80/- dividends Rs.800/- credited in pass book.
 - e) Bank charges Rs.20/- and insurance premium Rs.300/- debited in pass book.

Contd..2

17. Prepare Trading, Profit and Loss account and balance sheet of Mr. Rajesh as on 31-12-2010.

Trial Balance

Debit balance	Rs.	Credit balance	Rs.
Power	10,000	Capital	3,00,000
Buildings	1,50,000	Sales	2,73,000
Commission	8,000	Purchase returns	10,000
Salaries	90,000	Creditors	60,000
Opening stock	20,000		
Rent	20,000		
Administrative expenses	15,000		
Purchases	2,50,000		
Sales returns	10,000		
Furniture	20,000		
Debtors	50,000		
	6,43,000		6,43,000

Adjustments:

- 1) closing stock Rs.15,000
- 2) outstanding salaries Rs.25,000
- 3) depreciation on building @ 10% per annum
