

FACULTY OF ENGINEERING**B.E.II/IV (Mech./Prod.) I SEMESTER (Main) Examination, Nov./Dec., 2009
MANAGERIAL ECONOMICS & ACCOUNTANCY****Time : 3 Hours]****[Max. Marks : 75****Note :** Answer all questions of Part – A. Answer any five questions from Part – B.**PART – A****(Marks : 25)**

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| 1. Explain the concept of Discounting Principle. | 2 |
| 2. Concept of Managerial Economics. | 2 |
| 3. Features of Perfect Competition. | 2 |
| 4. Law of Demand. | 2 |
| 5. Explain the concept of Margin of Safety. | 2 |
| 6. Firm Vs Industry. | 3 |
| 7. Need of working capital. | 3 |
| 8. What is NPV ? | 3 |
| 9. Explain the Dual Aspect Concept. | 3 |
| 10. What are the subsidiary books ? | 3 |

PART – B**(Marks : 50)**

11. Discuss the scope and significance of Managerial Economics in Decision-making.
12. Explain the importance and methods of demand estimation.
13. Explain the characteristics of Monopoly. How price and output decisions are made by a firm under monopoly ?
14. What do you understand by Break Even Analysis ? Show the Break Even Chart.
15. The Sales and Profits of a Company during the two years was as follows :
- | | | |
|------|--------------|----------------|
| | Sales | Profits |
| 2002 | Rs. 1,50,000 | Rs. 20,000 |
| 2003 | Rs. 1,70,000 | Rs. 25,000 |
- Calculate :
- (a) P/V Ratio (b) Break Even Point
- (c) Sales required to earn a profit of Rs. 40,000.

16. From the following information calculate the NPV and IRR of the project assuming a discount rate of 10%.

Initial Investment Rs. 20,000
Estimated Life 5 years

The Cash inflows after tax are as follows :

Years	1	2	3	4	5
CFAT Rs.	5,000	10,000	10,000	3,000	2,000

17. Briefly describe the Accounting Concepts and Conventions.
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