

A-057

Roll No. _____

Total No. of Pages.: 04

21N505 /

B.Tech. II Sem Main/ Back (New Scheme) Acad. Session 2023-24

All Branch

**(2FY3-05) – Managerial Economics and Financial Accounting
Common to All Branches**

21N505/

Time : 3 Hours

Maximum Marks: 70

Min. Passing Marks:

Instructions to Candidates:

Part – A: Short answer questions (up to 25 words) 10x2 marks = 20 marks. All 10 questions are compulsory.

Part – B: Analytical/Problem Solving questions 5x4 marks = 20 marks. Candidates have to answer 5 questions out of 7.

Part – C: Descriptive/Analytical/Problem Solving Design questions 3x10 marks = 30 marks. Candidates have to answer 3 questions out of 5.

Schematic diagrams must be shown wherever necessary. Any data you feel missing may suitably be assumed and stated clearly. Units of quantities used/calculated must be stated clearly.

Use of following supporting materials is permitted during examination. (Mentioned in form No. 205)

1_Simple Calculator_____

2_____

P.T.O.

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PART-A
(Attempt All)

- Q.1. Define economic problem.
- Q.2. Explain the concept of inflation.
- Q.3. What do you mean by demand schedule?
- ~~Q.4.~~ Explain law of demand.
- Q.5. Differentiate between explicit and implicit cost.
- Q.6. What is margin of safety in break even analysis?
- ~~Q.7.~~ Explain oligopoly market.
- ~~Q.8.~~ Explain different phases of business cycle.
- ~~Q.9.~~ Prepare Performa of trading and profit and loss account.
- Q.10. Differentiate between net profit and gross profit.

PART-B

(Attempt any five)

- Q.1. Define meaning and concept of managerial economics.
- ~~Q.2.~~ What do you mean by demand? Explain the types of Demand.
- Q.3. A firm has Fixed Cost of Rs. 10000/-, selling price per unit is Rs. 5/- and variable cost per unit is Rs. 3/-
 - a. Determine Break Even Point in terms of unit and also in Sales Volume.
- ~~Q.4.~~ Define production function. Discuss in short the laws of returns with the help of diagram.
- ~~Q.5.~~ Define 'Cost'. How are costs classified? Explain any four important cost concepts useful for managerial decisions.
- ~~Q.6.~~ Define monopoly. Discuss the salient features of monopoly market structure.

Q.7. From the following particulars calculate the Current Ratio and Quick ratio:

Particulars	Amount
Stock	140000
Sundry Debtors	280000
Cash	50000
Bills receivable	20000
Creditors	300000
Bank Overdraft	50000

PART- C

(Attempt any three)

Q.1. Dhruv is a sole proprietor having a provisions store. Following are the transactions during the month of January, 2022. Journalize the following entries and post them in ledger.

[5+5 Marks]

- | | | |
|--------|---|----------|
| (i) | Started business with cash | 80,000 L |
| (ii) | Deposited cash with bank | 40,000 A |
| (iii) | Purchased goods by paying cash | 5,000 L |
| (iv) | Purchased goods from Lipton & Co. on Credit | 10,000 L |
| (v) | Sold goods to Joy and received cash | 31,000 A |
| (vi) | Paid salaries by cash | 5,000 L |
| (vii) | Bought furniture by cash | 4,000 L |
| (viii) | Paid electricity charges by cash | 1,000 L |
| (ix) | Owner withdrew for personal use | 2,000 L |
| (x) | Paid Salaries Expense | 2,000 |

P.T.O.

Q.2. The following data are given:

Fixed expenses	Rs. 1,00,000
Variable expense	Rs. 10 per unit
Selling price	Rs. 15 per unit

You are required to find out

- (i) **Breakeven point in Rupees and in unit** (2.5 Marks)
- (ii) **Profit Volume Ratio** (2.5 Marks)
- (iii) **Sales to earn a profit of Rs. 10000** (2.5 Marks)
- (iv) **Margin of safety, if sales amount is Rs. 5,00,000** (2.5 Marks)

Q.3. Explain the following:

- ✓ (i) Sole trader (2.5 Marks)
 - ✓ (ii) Partnership (2.5 Marks)
 - (iii) Joint Stock Company (2.5 Marks)
 - (iv) State public enterprise (2.5 Marks)
- ✓ Q.4. What is Perfect Competition? Describe its features. (10 Marks)

Q.5. What is meant by Ratio Analysis? Explain briefly about various types of ratios.

(10 Marks)

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