

FACULTY OF ENGINEERING

**B. E. (Civil/EE/Inst./IT) IV – Semester (CBCS) (Backlog) Examination,
November 2020**

Subject: Managerial Economics and Accountancy

Time: 2 hours

Max. Marks: 70

Note: Answer any five questions from Part-A. Answer any four questions from Part-B.

PART – A (5x2=10 Marks)

1. Define Managerial Economics.
2. Explain Incremental Cost Principle.
3. What is Price demand? Explain.
4. Explain production function.
5. What is break-even point?
6. What is net working capital?
7. List out two techniques of forecast demand.
8. What is Book-keeping?
9. What is Journal? Explain.
10. What is meant by contribution?

PART – B (4x15=60 Marks)

11. Explain the scope of Managerial Economics and its usefulness to Engineers.
12. What is Perfect Competition? Explain its features.
13. Explain the Cost-output relation in the short-run and long-run.
14. Explain the law of demand and discuss the exceptions of it.
15. (a) What are the managerial uses of Break-even analysis?
(b) Find out the Break-even point and sales value to earn a profit of Rs.60,000.
Selling Price per unit Rs.15 variable price per unit Rs.10 Fixed cost Rs.1,50,000/-.
16. A decision is to be made between two competing projects which require an equal investment of Rs.50,000 and are expected to generate net cash flows as under.

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Year	1	2	3	4	5	6
Project-I Rs.	25,000	15,000	10,000	Nil	12,000	6,000
Project-II Rs.	10,000	12,000	18,000	25,000	8,000	4,000

The rate of return of the company is 10% which project should be chosen? Evaluate the project proposal under payback period.

17. Prepare Trading, Profit and Loss account and Balance Sheet from the following particulars.

Particulars	Debit balance (Rs.)	Credit balance (Rs.)
Purchases	16,000	
Discount	1,300	
Wages	6,500	
Travelling Expenses	500	
Salaries	2,000	
Carriage Inwards	275	
Insurance & Rent	150	
Commission	825	
Cash at Bank	2,750	
Sundry expenses	355	
Interest on Loan	100	
Buildings	4,000	
Machinery	2,000	
Opening stock	5,750	
Sundry Debtors	3,250	
Capital		10,655
Sales		30,000
Loan		3,000
Sundry Creditors		2,100
Total:	45,755	45,755

Adjustments:

- (a) Closing Stock Rs.6,000.
(b) Rent outstanding Rs.60.
