**Code No. HS302HS**

**METHODIST COLLEGE OF ENGINEERING & TECHNOLOGY (An Autonomous Institution)**

**B.E. (CIVIL/ECE) III-Semester (AICTE) (Supplementary) Examination, Aug -2023**

**Subject: MANAGERIAL ECONOMICS & FINANCIAL ACCOUNTANCY**

**Time: 3 hours Max.Marks:60**

**Note: Missing data, if any, maybe suitably assumed.**

**PART-A**

**Answer All the questions.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Q.No.** | **Questions** | **Marks** | **CO** | **BTL** |
| **1 a** | What is the relationship between Managerial theory and Accounting. | **2** | **1** | **1** |
| **b** | Outline the external issues in managerial economics. | **2** | **1** | **2** |
| **c** | Summarize the factors affecting demand. | **2** | **2** | **2** |
| **d** | Define the market competitive structure. | **2** | **2** | **1** |
| **e** | Define Accounting. | **2** | **3** | **2** |
| **f** | What is a double entry system? | **2** | **3** | **1** |
| **g** | Explain Gross profit and Net profit. | **2** | **4** | **2** |
| **h** | Evaluate the Inventory turnover ratio, if net sales is ₹20,00,000, Gross profit margin is 25%,opening stock is ₹50000 and closing stock is ₹150,000. | **2** | **4** | **5** |
| **i** | Recall Net present value. | **2** | **5** | **1** |
| **j** | List out the various sources of Capital. | **2** | **5** | **1** |

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**PART-B**

**Answer Any Five questions**.

|  |  |  |  |  |  |
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| **Q.No.** |  | **Questions** | **Marks** | **CO** | **BTL** |
| 2. | a | Explain the nature and scope of Managerial Economics | 4 | 1 | 2 |
| b | Explain in brief the Traditional theory of Firm | 4 | 1 | 2 |
| 3. | a | What is demand Forecasting? Illustrate the various methods used. | 4 | 2 | 2 |
| b | Explain price and output determination under Perfect Competition | 4 | 2 | 2 |
| 4. | a | Distinguish between Bookkeeping and Accounting | 4 | 3 | 4 |
| b | Mr. Mahesh is a sole proprietor having a provisions store. Following are the transactions during the month of January 2021. Construct the Journal for them.  1   Commenced business with cash   ₹. 80,000  2   Deposited cash with bank ₹. 40,000  3   Purchased goods by paying cash ₹. 5,000  4   Purchased goods from Lipton & Co. oncredit ₹. 10,000  5   Sold goods to Joy and receivedcash ₹.11,000  6   Paid salaries by cash ₹5,000  7   Paid ₹10,000 to Lipton & Co. by cheque for the purchases made on 4th Jan  8   Bought furniture by cash   ₹  4,000  9   Paid electricity charges by cash   ₹. 1,000  10 Bank paid insurance premium on furniture as per standing instructions        ₹. 300 | 4 | 3 | 4 |
| 5. | a | Given below is the balance sheet of ABC Co. as on 31stMarch, 2021.Analyse the balance sheet and calculate thecurrent ratio.   |  |  |  |  | | --- | --- | --- | --- | | **Liabilities** | **Amount**₹ | **Assets** | **Amount** ₹ | | Share capital | 5,00,000 | Fixed assets | 12,40,000 | | Preference share capital | 3,00,000 | Short term capital | 1,00,000 | | General reserve | 4,00,000 | Debtors | 9,50,000 | | Debentures | 6,00,000 | Stock | 5,00,000 | | Trade Payables | 1,00,000 | Cash | 1,50,000 | | Bank overdraft | 2,00,000 | Discount on shares | 60,000 | | Provision for taxation | 4,00,000 |  |  | | Provision for depreciation | 2,00,000 |  |  | | Profit and Loss A/c | 3,00,000 |  |  | |  | 30,00,000 |  | 30,00,000 | | 4 | 4 | 4 |
| b | Examine the importance and objectives of Ratio analysis. | 4 | 4 | 4 |
| 6. | a | Evaluate the payback period in each of the cases given below:  i) Cash outflow = Rs. 100000 Annual cash inflow = ₹. 25000 (after tax before depreciation)  Estimated life = 6 years  ii) Cash outflow = Rs. 100000 Annual cash inflow  (after tax depreciation) First 5 years = ₹. 20000  Next 5 years = ₹. 8000  Estimated life = 10 years Salvage value = ₹. 16000 | 4 | 5 | 5 |
| b | Justify the concept of Time value of money with a suitable example. | 4 | 5 | 5 |
| 7. | a | Appraise the use of managerial economics in Decision Making using relevant example. | 4 | 1 | 5 |
| b | Explain oligopolistic market. | 4 | 2 | 5 |
| 8. | a | Explain Accounting Cycle.. | 4 | 3 | 2 |
| b | What is solvency ratio? Summarize its limitations. | 4 | 4 | 2 |
| 9. | a | Explain the methods of capital budgeting | 4 | 4 | 5 |
| b | Explain income and cross elasticity with suitable examples. | 4 | 2 | 5 |

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