

3E1103

Roll No

Total No of Pages: **3****3E1103****B. Tech. IV - Sem. (Main) Exam., May - 2019****HSMC****Managerial Economics & Financial Accounting
All Branches****Time: 2 Hours****Maximum Marks: 80***Instructions to Candidates:*

Attempt all five questions from Part A, four questions out of six questions from Part B and two questions out of three from Part C.

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 material is permitted during examination.
(Mentioned in form No. 205)*

1. NIL2. NIL**PART - A****(Answer should be given up to 25 words only)****[5×2=10]****All questions are compulsory**

Q.1 GDP

Q.2 Giffen Goods

Q.3 Marginal Cost

Q.4 Perfect Competition

Q.5 Capital Budgeting

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PART - B

(Analytical/Problem solving questions)

[4×10=40]

Attempt any four questions

- Q.1 What is circular flow of economic activity? Explain the circular flow in four sector model.
- Q.2 Following table exhibits demand and supply condition of a commodity at different price levels -

Price (₹)	Demand (*000/month)	Supply (*000/month)
110	-	1000
100	40	900
90	80	800
80	120	700
70	160	600
60	200	500
50	240	400
40	280	300
30	320	200
20	360	100
10	400	-

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- (a) Draw the demand and supply curves.
- (b) What is the equilibrium price and quantity?

- Q.3 "In perfect competition a firm is price taker". Explain the statement with the help of a suitable illustration.
- Q.4 What is Elasticity of Demand? What are the factors affecting the Elasticity of Demand?
- Q.5 What is Isoquant? Explain with the help of diagram.
- Q.6 Compute the Net Present Value of a project if it requires an initial investment of ₹ 2,25,000 and is expected to generate the following net-cash inflows.

Year 1	Year 2	Year 3	Year 4
₹ 95,000	₹ 80,000	₹ 60,000	₹ 55,000

The minimum desired rate of return is 12%.

PART - C

(Descriptive/Analytical/Problem Solving/Design Question)

[2×15=30]

Attempt any two questions

- Q.1 Explain the various methods of measuring Nation Income.
- Q.2 What is meant by production function? Explain the 3 stages of production with the help of diagram.
- Q.3 Prepare the Trading and Profit and Loss account and a balance sheet from the following particulars for ABC firm as on 31 March 2018.

Account Title	Amount (₹)	Account Title	Amount (₹)
Sundry debtors	200000	Bills payable	86500
Bad debts	6000	Sundry creditors	48000
Trade expenses	2500	Provision for bad debt	7200
Printing and Stationary	7400	Return outwards	5500
Rent, Rates and Taxes	8600	Capital	500000
Freight	5000	Discount received	11540
Sales return	11200	Interest received	20000
Vehicle	30000	Sales	123000
Opening stock	100000		
Furniture and Fixture	22000		
Purchases	71000		
Drawings	34900		
Investments	92000		
Cash in hand	75000		
	136140		
	801740		801740

Adjustments:

- (1) Closing stock was valued ₹ 45000.
- (2) Depreciation charged on Furniture and Fixture @ 5%.
- (3) Depreciation charged on vehicle @ 10%.

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