ACCOUNTANCY & ECONOMICS (SEMESTER - 8)

CS/B.Tech(CE-New)/SEM-8/CE-804/09



1. .....
Signature of Invigilator

2. .....
Signature of the Officer-in-Charge

Reg. No. | | | | | | | | | | | | | | |

Roll No. of the Candidate | | | | | | | | | | | | | | |

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CS/B.Tech(CE-New)/SEM-8/CE-804/09

ENGINEERING & MANAGEMENT EXAMINATIONS, APRIL – 2009

ACCOUNTANCY & ECONOMICS (SEMESTER - 8)

Time : 3 Hours] [Full Marks : 70

INSTRUCTIONS TO THE CANDIDATES :

1. This Booklet is a Question-cum-Answer Booklet. The Booklet consists of **32 pages**. The questions of this concerned subject commence from Page No. 3.
2. a) In **Group – A**, Questions are of Multiple Choice type. You have to write the correct choice in the box provided **against each question**.
   b) For **Groups – B** & **C** you have to answer the questions in the space provided marked 'Answer Sheet'. Questions of **Group – B** are Short answer type. Questions of **Group – C** are Long answer type. Write on both sides of the paper.
3. **Fill in your Roll No. in the box** provided as in your Admit Card before answering the questions.
4. Read the instructions given inside carefully before answering.
5. You should not forget to write the corresponding question numbers while answering.
6. Do not write your name or put any special mark in the booklet that may disclose your identity, which will render you liable to disqualification. Any candidate found copying will be subject to Disciplinary Action under the relevant rules.
7. **Use of Mobile Phone and Programmable Calculator is totally prohibited in the examination hall.**
8. You should return the booklet to the invigilator at the end of the examination and should not take any page of this booklet with you outside the examination hall, **which will lead to disqualification**.
9. Rough work, if necessary is to be done in this booklet only and cross it through.

No additional sheets are to be used and no loose paper will be provided

FOR OFFICE USE / EVALUATION ONLY

Marks Obtained

	Group – A										Group – B			Group – C				
Question Number																	***Total Marks***	***Examiner's Signature***
Marks Obtained																		

.....
Head-Examiner/Co-Ordinator/Scrutineer

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ENGINEERING & MANAGEMENT EXAMINATIONS, APRIL – 2009

ACCOUNTANCY & ECONOMICS

SEMESTER - 8

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GROUP – A

(Multiple Choice Type Questions)

1. Choose the correct alternatives for any *ten* of the following : 10 × 1 = 10

i) When stationery items are purchased on credit for office use, the entry should be passed in

a) Purchase Day Book b) Journal Proper

c) Cash Book d) None of these. ☐

ii) The ledger is a book of

a) primary entry b) secondary entry

c) original entry d) double entry. ☐

iii) Goodwill account is

a) a tangible fixed asset b) an investment account

c) an intangible fixed asset d) none of these. ☐

iv) The trade expenses are taken into account while preparing

a) Manufacturing Account b) Trading Account

c) Balance Sheet d) Profit and Loss Account. ☐

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v) Credit purchase of Assets is an example of

a) residuary entry b) adjustment entry

c) transfer entry d) rectification entry. ☐

vi) The equality of Debits and Credits can be tested periodically by preparing the

a) Ledger Accounts b) Trial Balance

c) Balance Sheet d) none of these. ☐

vii) If marginal revenue is greater than marginal cost, increasing output would

a) reduce profit

b) increase profit

c) have no impact on profits

d) reduce the rate of growth in profits. ☐

viii) The contribution margin per unit is equal to the

a) price of a good

b) difference between total revenue and total cost

c) difference between price and average total cost

d) difference between price and average variable cost. ☐

ix) At break-even point

a) Total sales = Total variable costs

b) Total variable costs = Total fixed costs

c) Total fixed costs = Total contribution

d) Total contribution = Total sales. ☐

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x) Working capital is not affected by the transaction between

a) Current assets and Non-current assets

b) Current liabilities and Non-current liabilities

c) Current assets and Non-current liabilities

d) Current assets and Current liabilities. ☐

xi) Which of the following is not a Debt Capital ?

a) Debentures

b) Preference shares

c) Log-term borrowings

d) Loan from a Financial Institution. ☐

xii) The steeper demand curve has

a) higher elasticity b) lower elasticity

c) infinite elasticity d) none of these. ☐

GROUP – B

(Short Answer Type Questions)

Answer any *three* of the following. 3 × 5 = 15

2. Write short notes on budgetary control.

3. What types of entries are recorded in Journal Proper ?

4. M/s Aadrita Ltd. issued 10,000 10% preference shares of Rs. 100 each at Rs. 93 each redeemable at the end of the 7th year from the year of issue. Find the cost of preference share capital.

5. Write any 5 methods used for evaluating investment proposals and briefly discuss any one of them. 2 + 3

6. How will you measure the elasticity of demand on a point of a straight line demand curve ?

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GROUP – C

(Long Answer Type Questions)

Answer any *three* of the following. $3 \times 15 = 45$

7. Mrs. Sharanya Roy is the proprietor of a Trading Concern. The following Trial Balance was prepared from her books as on 31st March, 2008 :

Particulars	***Dr. (Rs.)***	***Particulars***	***Cr. (Rs.)***
		Sundry creditors	30,000
Sundry debtors	50,000	Provision for discount on debtors	1,800
Cash at bank	14,000	Provision for bad debts	3,200
Cash in hand	4,500	Discount received	2,500
Wages	16,000	Capital	1,27,000
Discount allowed	1,100	Bills payable	15,500
Bad debts	2,500	Sales	2,20,000
Rates and insurance	3,000		
Plant and Machinery (including a new plant costing Rs. 16,500)	56,500		
Bill receivable	33,000		
Purchases	1,42,000		
Returns	3,400		
Salaries	14,000		
Furniture and fixture	20,000		
Opening stock	40,000		
	4,00,000		**4,00,000**

You are required to prepare Trading and Profit & loss A/c for the year ended 31st March, 2008 and Balance Sheet as at that date after taking into consideration the following information :

a) Closing stock was valued at Rs. 30,000.

b) Wages include Rs. 1,500 paid for erection the new plant on 31st March, 2007.

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c) Depreciation is to be charged on Plant and Machinery @ 10% p.a.

d) A cash purchase of Rs. 2,500 is to be recorded in the books.

e) Goods worth Rs. 3,000 were taken over by the proprietor for his private use.

f) Provision for Bad Debts is to be maintained at Rs. 5,000. Provision for discount on debtors and for discount on creditors are to be maintained @ 5% and $2\frac{1}{2}$% respectively. 4 + 5 + 6

8. The total cost function of a firm has been estimated as

$TC = 100 + 10Q + 20Q^2$

where Q = quantity produced

Find :

a) Marginal cost when $Q = 10$

b) Quantity (Q) at which average cost is minimum

c) Q at which average cost equals marginal cost. 5 + 5 + 5

9. From the following particulars, prepare a statement showing the Working Capital needed to finance a level of activity of 10,400 units of output per annum.

a) Analysis of selling price of each unit :

i)	Raw materials	Rs. 5
ii)	Labour	Rs. 4
iii)	Overhead	Rs. 2
iv)	Profit Re. 1	

b) Raw materials are in stock of average 3 weeks and finished goods are in stock for 6 weeks.

c) Materials are in process on average for 4 weeks.

d) Credit allowed by suppliers is 3 weeks and credit allowed to debtors is 7 weeks.

e) Production is carried on evenly during the year and wages and overheads accrue similarly.

f) Lag in payment of wages and overheads is 2 weeks.

g) Cash on hand and at bank is expected to be Rs. 5,000.

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10. Explain the meaning of perfect competition and show how a firm determines its output under perfect competition.

11. The data supplied by a company is given below :

	Rs.	
Selling price per unit	22.00	
Manufacturing cost per unit (variable)	9.00	
Manufacturing cost (fixed)	3,60,000.00	
Administrative cost per unit (variable)	2.00	
Administrative cost (fixed)	1,30,000.00	
Selling cost per unit (variable)	3.00	
Selling cost (fixed)	2,50,000.00	
Sales volume	1,50,000	units

Compute :

i) Profit

ii) Break-even point

iii) Margin of safety

iv) Units to be sold to earn a profit of Rs. 60,000

v) How many units must be sold to earn a net income of 10% of sales ?

END

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