NATIONAL INSTITUTE OF TECHNOLOGY, HAMIRPUR (H.P) End Semester Examination (B.Tech 7th Semester), December 2022

Dr. Yog.en Clypta

Subject: Engineering Economics and Accountancy Time: 3 hour Course no. HS -404 Max. Marks: 50

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Note: All the questions are compulsory. Answers must be comprehensive and supported with suitable examples. The question paper is divided into two sections (A) and (B). Each question in Section A is worth 6 marks, while each question in Section B is worth 4 marks.

Section-A

- 1. Distinguish between Price, Income and Cross elasticity of demand. Discuss the practical importance of elasticity of demand.
- 2. Explain law of variables proportion. Discuss three stages of production in the shortrun.
- 3. Define Depreciation. Discuss the various methods of depreciation.
- 4. Prepare Trading, Profit and Loss account and Balance sheet from the following information to the year ending on 31-03-22. The closing stock as on 31-03-22 amounting to Rs 5300.

Dr	Rs.	Cr.	Rs.
Drawings	6000/-	Capital	30000/-
Opening stock as on 01-04-2020	10000/-	Purchase return	2500/-
Purchases	51700/-	Sales	57000/-
Sales return	2800/-	Creditors	12000/-
Debtors	26000/-	Discount received	1190/-
Wagas	1000/-	Due to suppliers	10900/-
Manufacturing expenses	4500/-	Bills Payable	9970/-
Salaries	2200/-		
Rent	500/-		
Advertisement	990/-		
Cash in hand	300/-		
Cash in bank	1200/-		
Bad debts	370/-		
Furniture	2000/-		
Equipment	5000/-		
Machinery	9000/-		

Beside this allow depreciation @10 percent on Machinery and Equipment and 5% on Furniture.

P.T.O.

- a). Double entry system
- b). Journal and Ledger
- c). Multiple credit System.
- 5. Distinguish between Perfect Competition and Monopolistic Competition? Explain that how the equilibrium is attained in the long run by the firm in Perfect Competition.

Section-B

6. Find the equilibrium price and quantity,

Demand Function $Q_d = 30 - P$ Supply Function $Q_s = -6 + 5P$

7. Define following term

a).Economic and Accounting Cost b).Actual and Over Head Cost.

8. Explain the following terms.

a). Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR)b). Bank Rate (BR) and Repo rate (RR)

9. A small firm has a capacity to produce 300 fans. It incurs fixed expenses amounting to Rs. 12000. The variable cost of each fan is Rs 50 per unit. Its selling price is Rs 100 per unit.

Find out:

- a). Break-even quantity between output and sales.
- b). Amount of profitability, utilizing 90 percent of its capacity.
- 10. A Company is producing two commodities X and Y. The elasticity of demand of X commodity is relatively more elastic, whereas elasticity of demand of Y commodity is relatively inelastic in nature. Being the Manager of the company you have to suggest that what should be the Price Policy, so the Profits of the Company can be maximized.