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NATIONAL INSTITUTE OF TECHNOLOGY, HAMIRPUR (H.R.)
Final Examination (B.Tech. 7th Semester, November 2023)

Subject: Engineering Economics and Accountancy
Time: 3 hours

Course no. HS -404
Max. Marks: 50

Note: All the questions are compulsory. Answers must be comprehensive and supported with suitable examples.

- Q. No. 1. Write a note on the following terms:
- A. Explain Law of Demand and Supply with the help of diagram. (4)
 - B. Consider the demand for a good. At price Rs 4, the demand for the good is 25 units. Suppose price of the good increases to Rs 5, and as a result, the demand for the good falls to 20 units. Calculate the price elasticity? (4)
- Q. No. 2. Compare and analyze following terms in detail along with examples: (6)
- A. Accounting Cost and Economic Cost
 - B. Standard Cost and Actual Cost
- Q. No. 3. Explain the concept of Production function and types of Iso-quant with help of diagram. Also mention about Economies and Dis-economies of Scale with suitable example for each. (8)
- Q. No. 4. Mention various forms of market structure? Explain the Price and output determination under perfectly competitive market and Monopoly with the help of suitable diagram. (8)
- Q. No. 5. A. Explain the concept of Money and mention its function. Mention the tools available with Central bank to control the money supply in an economy. (6)
- B. Define Depreciation and explain its causes. Calculate the Amount of annual Depreciation and Rate of Depreciation under Straight Line Method (SLM) from the following: (8)
- i. Purchased a second-hand machine for Rs. 96,000,
 - ii. Spent Rs. 24,000 on its cartage, repairs and installation,
 - iii. Estimated useful life of machine 4 years.
 - iv. Estimated residual value Rs. 72,000.

Q. No. 6. What do you mean by Financial Accounting? Explain the rules applied in making the journal entries under the Double Entry Book Keeping system along with its advantages. (6)

Or

Make Journal entries for the following transactions as per the applicable rules along with the narrations.

Furniture purchased for cash Rs. 10,000/-

Palmer Construction purchases a new company vehicle for Rs. 40,00,000/-

Machinery purchased for cash Rs. 15,000/-

Car sold for cash Rs. 50,000/-

Furniture purchased from Nitin Rs. 11,000/-

Cycle purchased for Cash Rs. 1000/-

Cycle sold to Sumit Rs. 2000

Cash paid to Rakesh Rs. 10,000/-

Cash received from Ankit Rs. 5,000/-

Commission received in cash Rs. 2,000/-
