

B.E. (6th Semester EE, CST, ETC and IT) Examinations, April/May 2012

Subject: Economics and Accounts, HU 5601

Full Marks: 35

Time: 2 hrs

Please answer each half in separate answer sheets.

First Half (Economics) (17.5 marks)

Answers should be precise. Irrelevant details will invite negative marking.

1. Write one sentence each on any 4 of the following:

- a. Assembly Line
- b. Value Added
- c. Monopsony
- d. Marginal Propensity to Consume
- e. Monopoly Power
- f. Nominal versus real GNP

(4 marks)

2. Why is the demand function faced by a perfectly competitive firm different from the industry demand function? Why is this difference absent under monopoly?

OR

Why is the price charged by the monopolist higher than that charged by the perfectly competitive firm, if they face the same cost functions (use profit maximization diagrams to answer this).

(2.5 marks)

3. Consider a closed economy where

$$I = 100, G = 80, C = 25 + 0.5Y_d \text{ and } T = 0.2Y.$$

Find the change in equilibrium Y when government expenditure declines by 30 units.

(3 marks)

4. Give two examples each of (answer any 4)

- a. sets of products that have a negative and high cross elasticity of demand.
- b. the input 'capital'
- c. criteria for discrimination by oligopolists
- d. non-marketed goods
- e. factors that cause overestimation of GNP
- f. negative externalities

(4 marks)

5. What kind of industry do the following products belong to? (if you think they can belong to more than one type, you can give more than one industry category):

- a. momos
- b. calpol (medicine for fever)
- c. textbooks
- d. gold ornaments
- e. flats/apartments
- f. apples
- g. bricks
- h. roads

(4 marks)

B.E. 6th Semester Final Examination, April, 2012.
Economics & Accounts (Hu-5601) 2nd Half

Time :....

Branch: CST/ETC/EE/IT

Full Marks : 17.5

Use separate scripts for each half

1. The following is the trial balance of Brad Pitt Ltd as on 31.12.2010.(Rs. in '000)

<u>Particulars</u>	<u>Debit</u>	<u>Credit</u>
Capital		4000
Sundry creditors		5200
Plant and Machinery	5000	
Office Furniture and Fittings	260	
Op. Stock	4800	
Motor Van	1200	
Sundry Debtors	4570	
cash in hand	40	
Cash at Bank	650	
Wages	15000	
Salaries	1400	
Purchases	21350	
Bills payable		560
Bills Receivable	720	
Returns Inwards	930	
Interest Received		250
Drawings	700	
Returns Outwards		550
Rent	600	
Factory Lighting and heating	80	
Insurance	630	
General Expenses	100	
Bad debts	250	
Discount	650	
Sales		53370
Land	5000	
Total	63,930	63,930

The following adjustments are to be made:

- a) Stock as on 31.12.2010 is Rs 5200.
- b) Three months factory lighting and heating is due but not paid.
- c) 5% depreciation to be written off from furniture.
- d) Write off further bad debts Rs 70.

OR

Write Notes:

- A. Transaction. B. Double Entry System. C. Single Entry System.