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Code No. : 153 O3

VASAVI COLLEGE OF ENGINEERING (Autonomous), HYDERABAD
M.C.A. I Year I-Semester Backlog Examinations, May-2017

Managerial Economics and Accountancy

Time: 3 hours

Max. Marks: 70

Note: Answer ALL questions in Part-A and any FIVE from Part-B

Part-A (10 × 2 = 20 Marks)

1. Explain Macro Economics.
2. Relate Managerial Economics with Mathematics.
3. List the determinants of Demand.
4. Illustrate Income Elasticity of demand.
5. What is Production Function?
6. What are External Economies of Scale?
7. Discuss the applications of capital budgeting decision.
8. Appraise the significance of Working Capital.
9. Cash – Rs. 1,50,000; Stock –Rs. 50,000; Current liabilities – 1,50,000.
Calculate Current ratio.
10. Give the Journalizing rules of various accounts.

Part-B (5 × 10 = 50 Marks)

11. a) Explain the features of Managerial Economics. [5]
b) What is Time Value of Money? Explain. [5]
12. a) Enumerate the factors influencing Price Elasticity of Demand. [5]
b) Explain the determinants of Supply. [5]
13. a) What are Isoquants? Explain its features. [5]
b) Calculate Break-even point in terms of units from the following information. [5]

Particulars	Rs.
Fixed cost	81,000
Variable cost per unit	20
Selling price per unit	29

14. a) What is Working Capital? Explain its various types. [5]
b) Calculate Payback period from the following information [5]
Cost of the project – Rs.1,00,000

Year	Cash inflows (Rs.)
1	20,000
2	30,000
3	40,000
4	50,000
5	30,000

Contd...2

15. a) Draw Accounting Cycle & explain. [3]
 b) From the following Trial Balance of Swaroop Krishna as at 31st March 2012, Prepare Trading and Profit and Loss Account for the year ended 31st March 2012 and a Balance Sheet as on that date. [7]

Particulars	Rs.	Particulars	Rs.
Opening stock	45,000	Travelers Salaries	2,800
Plant and Machinery	75,000	Advertising	15,000
Purchases	2,25,000	Bills Receivable	6,000
Trade Charges	10,000	Drawings	6,000
Carriage Inwards	2,500	Salaries	15,000
Carriage Outwards	1,500	Wages	20,000
Factory Rent	1,500	Furniture	7,500
Discount	350	Coal and Gas	1,000
Insurance	700	Cash in Hand	2,000
Sundry Debtors	60,000	Cash at Bank	12,500
Office Rent	3,000	Capital	75,000
Printing and Stationery	600	Sales	4,20,750
Sundry Creditors	15,000	Bad Debts Provision	200
Bills Payable	2,000		

Adjustments:

1. Closing stock was valued at Rs.35,000
 2. Depreciate Machinery by 10% and Furniture by 5%
 3. Raise the Bad Debts Provision to 5% on Debtors.
 4. Outstanding Factory Rent Rs.300 and Office Rent Rs.600
 5. Insurance Prepaid Rs.100
16. a) What is Price elasticity of demand? Discuss the types of price of elasticity of demand. [5]
 b) Explain the opportunity cost in managerial decision making. [5]
17. Answer any *two* of the following:
 a) Explain the features of Monopoly market. [5]
 b) Discuss various short-term sources of raising capital. [5]
 c) Calculate Debt-Equity ratio from the following information. [5]

Particulars	Rs.
Equity share capital	3,00,000
Reserves and surplus	50,000
Preference share capital	1,00,000
Long-term debt	3,00,000
Debentures	1,00,000
Mortgage loan	50,000
Current liabilities	6,000
Sundry creditors	15,000
Unexpired Insurance	8,000
Stock	12,000
