

II B.Tech II Semester Supplementary Examinations, April/May 2005
MANAGERIAL ECONOMICS AND PRINCIPLES OF ACCOUNTANCY
(Computer Science & Engineering)

Time: 3 hours

Max Marks: 70

Answer any FIVE Questions
All Questions carry equal marks

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1. “Business Economics has a close connection with micro-economic theory and macro-economic theory of decision making and forward planning”. Elucidate.
2. What is meant by demand? Explain the factors which influence demand.
3. What is production Function? Explain various types of production functions.
4. Define short-term and long-term costs. What are the practical usefulness of distinguishing between them.
5. What are the selling costs? How do selling costs influence in shifting the average revenue curve of a firm under monopolistic competition?
6. Explain various phases involved in accounting mechanism.
7. Write short notes on:
 - (a) Ratios associated with working capital
 - (b) Components of debt.
8. Mr. ‘A’, a shopkeeper had prepared the following trial Balance from his ledger as on 31st march 2004.

Prepare the Trading and profit and loss account for the year ended on 31-03-2004, and the balance sheet as on the date.

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<u>Particulars</u>	<u>Debits(Rs.)</u>	<u>Credits(Rs)</u>
Purchases	3,10,000	-
Sales	-	4,15,000
Stock of goods as on Apr 1 st 2003	50,000	-
Cash in hand	2,100	-
Cash at Bank	12,000	-
Mr. A's capital account	-	2,886,00
Mr. A's drawings	4,000	-
Rent & Taxes	5,000	-
Salaries	32,000	-
Postage	11,500	-
Salesmen commission	35,000	-
Insurance	9,000	-
Advertising	17,000	-
Furniture and fittings	22,000	-
Printing and stationery	3,000	-
Motor car	48,000	-
Bad debts	2,000	-
Cash discounts	4,000	-
General expenses	14,000	-
Carriage inwards	10,000	-
Carriage outwards	22,000	-
Wages	22,000	-
Sundry creditors	-	40,000
Sundry debtors	1,00,000	-
Sundry expenses	11,000	-
	7,43,600	7,43,600