

Code No: OR321051

OR

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

Time: 3 hours

Max Marks: 70

Answer any FIVE Questions
All Questions carry equal marks

1. Discuss the scope of Managerial Economics
2. What is demand forecasting? Explain the various methods used for forecasting demand for a product.
3. Prepare gradings, profit and loss Account and a balance sheet using information extracted from the books of M/s Ramana traders and presented in the following trial balance.

Ramana Traders

Trail Balance as on 31st December, 1998

| | Rs. | | Rs. |
|----------------------|-----------|-------------------------|-----------|
| Capital | 2,80,000 | Plant & Machinery | 5,20,000 |
| Creditors | 4,50,000 | Furniture and textiles | 1,70,000 |
| Sales | 18,00,000 | Opening stock | 2,30,000 |
| Returns | 20,000 | Purchases | 6,70,000 |
| Rents Received | 2,80,000 | Returns Inwards | 50,000 |
| Fees and commissions | 2,20,000 | Sundry debtors | 3,80,000 |
| Other income | 70,000 | Carriage and freight | 90,000 |
| | | Rent, Rates and taxes | 46,000 |
| | | Printing and stationary | 54,000 |
| | | Trade Expenses | 1,10,000 |
| | | | |
| | | Postage and telegram | 80,00 |
| | | Salaries and Wages | 4,20,000 |
| | | Cash-in-hand | 75,000 |
| | | Cash at bank | 2,25,000 |
| | 31,20,000 | | 31,20,000 |

Adjustments required:

Stock on 31st dec, 1998 was valued at Rs.5,80,000 write off depreciation at 20% on furniture and 10% on Plant & Machinery. Salaries and wages were outstanding to the extent of Rs. 90,000. Fees and commissions were prepaid the extent of Rs.50,000

4. State and explain the Law of Diminishing Returns. Why does the law operate?
5. What are different methods by which a company forum of organisation can raise its fixed capital? Which in your view, is a cheaper and reliable source? Briefly explain.
6. What are different forms of business organisation? State their comparative features.
7. Write short notes on any THREE of the following:
 - (a) Production Function
 - (b) Break - even Analysis
 - (c) Monopoly
 - (d) Journal
 - (e) Turnover Ratios
 - (f) Outstanding Expenses
8. Discuss the various methods of capital budgeting. Illustrate any one of them that you are familiar with.

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