

Code : 241406

B.Tech 4th Semester Exam., 2016

INDUSTRIAL ECONOMICS AND
ACCOUNTING

Time : 3 hours

Full Marks : 70

Instructions :

- (i) The marks are indicated in the right-hand margin.
- (ii) There are **NINE** questions in this paper.
- (iii) Attempt **FIVE** questions in all.
- (iv) Question No. 1 is compulsory.

1. Write True or False (any seven) : $2 \times 7 = 14$

- (a) The slope of the demand curve for Giffen good is negative. **F**
- (b) Micro-economics deals with price theory.
- (c) Drawings reduces the amount of capital. **T**
- (d) In case of inferior good, the income elasticity is zero.
- (e) Capital means assets minus external liabilities.
- (f) The law of demand states a direct relationship between demand and price.

- (g) A Balance Sheet is a period statement whereas Profit and Loss Account is a point statement.
- (h) In constant return to scale the output increases in greater proportion.
- (i) A Trial Balance shows both debit and credit balances.
- (j) Product differentiation is an important features of a monopolistic competition.

2. Define economics. Discuss the role of science and technology in economic development.
3. Define price elasticity, income elasticity and cross elasticity of demand. Discuss the importance of price elasticity of demand. **14**
4. What do you mean by monopolistic competition? Discuss various characteristics monopolistic competition. **14**
5. What is production? Discuss law of variable proportion briefly. **14**
6. What is opportunity cost? Discuss cost curves in short-run. **14**

AK16/642

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7. What is accounting? Discuss various concept and conventions of accounting. 14
8. What do you understand by Profit and Loss Account and Balance Sheet? Distinguish between Profit and Loss Account and Balance Sheet. 14
9. An investment proposal requires an initial outlay of ₹ 4,000 with an expected cash inflow of ₹ 1,000 per year for five years. Should the proposal be accepted if the rate of discount is (a) 15% and (b) 6%? 14
