

Code : 241406

2013

INDUSTRIAL ECONOMICS  
AND ACCOUNTING

Time : 3 hours

Full Marks : 70

Instructions :

- (i) All questions carry equal marks.
- (ii) There are **NINE** questions in this paper.
- (iii) Attempt **FIVE** questions in all.
- (iv) Question No. 1 is compulsory.

1. Answer any seven questions :

- (a) What is microeconomics?
- (b) What is demand?
- (c) Define entrepreneurship.
- (d) Define supply.
- (e) What is opportunity cost?
- (f) Define revenue.

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( Turn Over )

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- (g) What is capital expenditure?  
 (h) Define journal.  
 (i) What is nominal account?  
 (j) What is effective role of interest?

2. Define economics. What are the central problems of economy?

3. Define law of demand. What are exceptions to this law? Explain with appropriate example.

4. What do you understand by elasticity of demand? Discuss various methods of measuring price elasticity of demand.

5. Define production function. Explain law of variable proportion.

6. What is monopoly? What are its main features? Differentiate between monopoly and perfect competition.

7. What do you understand by accounting? Discuss different concepts and conventions of accounting.

8. What is trial balance? Discuss various methods of preparing trial balance.

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9. (a) What is time value of money?

(b) A firm has many projects. It wants to earn at least 6% per annum on this project with the following cash flow. Do you recommend the project?

Year end	0	1	2	3	4	5	6
Cash inflow			30,000	40,000	40,000	40,000	50,000
Cash outflow	1,00,000	20,000					

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