

4. State the law of increasing returns. Discuss the causes of increasing returns.
5. What do you understand by fixed cost and variable cost? Distinguish between them.
6. What are the methods to be followed for economy studies? Discuss the capital recovery and returns.
7. What do you understand by monopolistic competition? Discuss its salient features.
8. What is financial accounting? Distinguish between Book-keeping and Accounting.
9. (a) Distinguish between the P/L Account and Balance Sheet.
- (b) The difference between simple and compound interest on a sum kept for 5 years at 3% interest rate is ₹ 46.80. Find the sum.

B.Tech 6th Semester Exam., 2016

**INDUSTRIAL ECONOMICS AND
ACCOUNTANCY**

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 of the following multiple-choice questions :

- (a) Which one of the following is not a type of elasticity in economics?
- (i) Income elasticity
- (ii) Price elasticity
- (iii) Utility elasticity
- (iv) Cross elasticity
- (v) None of the above
- (b) Demand of salt is inelastic
- (i) due to low price
- (ii) because there is no substitute.
- (iii) because its absence makes food tasteless
- (iv) All of the above

(Turn Over)

(2)

- (c) Tea and coffee are
- (i) complementary goods
 - (ii) related goods
 - (iii) unrelated goods
 - (iv) None of the above
- (d) Which one of the following is exception to law of demand?
- (i) Giffen goods
 - (ii) Future change in price
 - (iii) Change in fashion
 - (iv) All of the above
 - (v) None of the above
- (e) Which one of the following is a real account?
- (i) Salary A/c
 - (ii) Bank A/c
 - (iii) Building A/c
 - (iv) Goodwill A/c
- (f) Which one of the following is known as Book of Original Entry?
- (i) Cash Book
 - (ii) Journal
 - (iii) Ledger
 - (iv) Sales Book

(3)

- (g) Discounting method is used for cash flow of
- (i) future worth
 - (ii) present worth
- (h) In a cash-flow diagram, the profits, revenues and salvage value are all considered as
- (i) inflow
 - (ii) outflow
- (i) _____ is the price of which demand for a commodity is equal to its supply.
- (i) Normal price
 - (ii) Equilibrium price
 - (iii) Short-run price
 - (iv) Secular price
- (j) In a competitive market, _____ is a price maker.
- (i) firm
 - (ii) industry
 - (iii) consumer
 - (iv) trade association
2. Critically examine the definition of economics as given by Marshall.
3. Why do the demand curve slope downwards to the right? What are its exceptions?