

B.Tech 3rd Semester Exam., 2014

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 of the following questions :

- (a) What is normative economics?
- (b) What is supply?
- (c) What are final statements?
- (d) What is elasticity of demand?
- (e) What is perfect competition?
- (f) Name different types of market.
- (g) What is annuity?
- (h) What are assets?
- (i) What is capital budgeting?
- (j) Define marginal cost.

2. Define accounting. Explain the revenue recognition concept of accounts.
3. What is law of demand? State the exceptions of law of demand.
4. What is production? Explain four factors of production.
5. Why does the law of demand hold or operate?
6. Journalize the following transactions for the transactions in the year 2005 :

- Jan 1 Ahmed commenced business with ₹ 75,000
- Jan 3 Opened a current account in bank and deposited there ₹ 30,000
- Jan 5 Bought furniture of ₹ 10,000
- Jan 7 Bought goods worth of ₹ 9,000 for cash
- Jan 10 Bought goods of ₹ 15,000 from Bharath on account.
- Jan 12 Sold goods of ₹ 12,500 to Dayanand
- Jan 15 Cash sales of ₹ 7,500

7. Define internal rate of return (IRR). State the advantages and limitations of IRR.
8. Explain the law of returns to scale.
9. Give the definition of market. Mention the main features of different types of market.
