

Code : 241306

B.Tech 3rd Semester Examination, 2016

Industrial Economics Accounting

Time : 3 hours

Full Marks : 70

Instructions :

- (i) There are Nine Questions in this Paper.
- (ii) Attempt Five questions in all.
- (iii) Question No. 1 is Compulsory.
- (iv) The marks are indicated in the right hand margin.

1. Answer any seven questions. (7×2=14)
- (a) List and explain any two fundamental economic problems.
 - (b) Give one example each of normal and inferior goods.
 - (c) Why is capital defined as a 'produced' means of production?
 - (d) Define 'opportunity cost'.
 - (e) What is the meaning of 'contribution' in the context of break even analysis?
 - (f) List two features of monopoly.
 - (g) Under what conditions does a firm achieve constant returns to scale?

(h) What market conditions constitute monopolistic competition?

(i) Define consumer surplus.

(j) Under what conditions is a nominal account classified as a representative personal account?

2. If demand is fixed and supply of a product increases, what happens to equilibrium price and quantity? 14
3. Distinguish economics from diseconomics of scale, and give possible causes of each. 14
4. List the five factors of production. Explain the importance of any two. 14
5. What is a total cost function? Explain its constituents. 14
6. A manufacturer of packaged drinking water makes 10,000 packs per day. He pays rent of Rs. 3,000 per day, and electricity charges of Rs. 4,000 each day. Cost of manufacturing one pack is Rs. 0.50, and each sells at Rs. 4.00. Calculate the break-even point. 14
7. How are prices determined under imperfect competition? 14
8. Why is the internal rate of return also known as the hurdle rate? Explain its computation. 14

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9. Briefly outline the process of recording, classifying and summarising of accounting transactions. 14

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