



MARRI LAXMAN REDDY INSTITUTE OF TECHNOLOGY AND MANAGEMENT

(AN AUTONOMOUS INSTITUTION)

(Approved by AICTE, New Delhi & Affiliated to JNTUH, Hyderabad)

Accredited by NBA and NAAC with 'A' Grade & Recognized Under Section 2(f) & 12(B) of the UGC act, 1956

III B.Tech I Sem Regular End Examination, February 2022

Engineering Economics and Accountancy

(CIVIL)

Time: 3 Hours.

Max. Marks: 70

Note: 1. Question paper consists: Part-A and Part-B.

2. In Part - A, answer all questions which carries 20 marks.

3. In Part - B, answer any one question from each unit.

Each question carries 10 marks and may have a, b as sub questions.

PART- A

(10*2 Marks = 20 Marks)

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|---|----|-----|-----|
| 1. a) Explain opportunity cost principle. | 2M | C01 | BL4 |
| b) Give exceptions to law of demand. | 2M | C01 | BL1 |
| c) What is inflation? | 2M | C02 | BL1 |
| d) Explain National Income. | 2M | C02 | BL4 |
| e) What are cash outflows? | 2M | C03 | BL1 |
| f) Why pay back period is important? | 2M | C03 | BL1 |
| g) Distinguish between debt and equity. | 2M | C04 | BL2 |
| h) What is financial leverage? | 2M | C04 | BL1 |
| i) Explain double entry book keeping. | 2M | C05 | BL4 |
| j) What is net profit? | 2M | C05 | BL1 |

PART- B

(10*5 Marks = 50 Marks)

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|--|----|-----|-----|
| 2 a) Explain Law of demand. What is demand schedule? | 5M | C01 | BL4 |
| b) Discuss the determinants of demand? | 5M | C01 | BL2 |

OR

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|--|-----|-----|-----|
| 3 Discuss the various types of Price elasticity of demand. | 10M | C01 | BL2 |
| 4 a) What are the measures of Inflation? | 5M | C02 | BL1 |
| b) Explain the various causes of Inflation. | 5M | C02 | BL4 |

OR

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|--|-----|-----|-----|
| 5 Discuss the salient features of new economic policy. | 10M | C02 | BL2 |
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- 6 a) Explain the significance of capital budgeting. 5M C03 BL4
 b) What are the demerits of IRR? 5M C03 BL1

OR

- 7 The cash outflow of a project is Rs.10,00,000, the life of the project is 5 years and the cost of capital is 12%. The cash inflows for five years are given below 10M C03 BL3

Year	Cash inflow
2015	1,50,000
2016	2,20,000
2017	2,80,000
2018	340,000
2019	2,00,000

Compute the NPV of the Project.

- 8 a) What are the various types of Leverages? 5M C04 BL1
 b) How financial leverage is calculated? Explain. 5M C04 BL4

OR

- 9 Explain the various sources of financing long term projects. 10M C04 BL4
- 10 a) Explain about accounting concepts. 5M C05 BL4
 b) Discuss about the break-even point and its limitations. 5M C05 BL3

OR

- 11 From the following Trial Balance and additional information 10M C05 BL
 prepare Final accounts.

Trial Balance		
As on 31 st December 2018		
Particulars	Dr. Amount Rs.	Cr. Amount Rs.
Capital		20,000
Sundry debtors	5,400	
Drawings	1800	
Machinery	7000	
Sundry creditors		2800
Wages	10,000	
Purchases	19,000	
Opening Stock	4,000	
Bank Balance	3,000	
Carriage charges	300	
Salaries	400	
Rent and taxes	900	
Sales		29,000
	51,800	51,800

Additional Information

- i) Closing stock Rs.1,200
- ii) Outstanding Rent and Taxes Rs.100
- iii) Charge depreciation on machinery at 10%
- iv) Wages prepaid Rs.400