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 Section2(f) & 12(B)of the UGC act,1956

MLRS

III B.Tech I Sem Supply End Examination, July 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)

1.	a)	Distinguish between Micro and macro economics.	2M	CO1	BL2
	b)	Explain equi marginal Principle.	2M	CO1	BL4
	c)	What is Trade Policy?	2M	CO2	BL1
	d)	Explain causes of Inflation.	2M	CO2	BL4
	e)	Explain the criteria of project selection using IRR method.	2M	CO3	BL4
	f)	What is Capital?	2M	CO3	BL1
	g)	Define Operating Leverage.	2M	CO4	BL1
	h)	Explain Equity share.	2M	CO4	BL4
	i)	What is Break- even point?	2M	CO5	BL1
	j)	Explain Trail Balance.	2M	CO5	BL4

PART- B
(10*5 Marks = 50 Marks)

2	a)	Explain about elasticity of Supply.	5M	CO1	BL4
	b)	What are the determinants of demand for smart phone? Explain.	5M	CO1	BL4

OR

3	Explain about the Theory of Firm.	10M	CO1	BL4

4	a)	Why is control of inflation important? Explain.	5M	CO2	BL4
	b)	Explain briefly about Fiscal Policy.	5M	CO2	BL4

OR

5	Discuss the various methods of estimation of National Income Accounting.	10M	CO2	BL2

6	a)	Why capital budgeting is important to an organization? Explain.	5M	CO3	BL4
	b)	Discuss the various modern methods of project appraisals?	5M	CO3	BL2

OR

7		Compute the NPV of a project with Investment Outlay of Rs.10 lakh and inflows are 2.2 lakh for two years and 2.5 lakh next three years. The life of the project is 5 years and cost of capital is 12%.	10M	CO3	BL2

8	a)	Distinguish between Debt and Equity.	5M	CO4	BL2
	b)	Explain the impact of leverage in the long-term financing.	5M	CO4	BL4

OR

9		The well-established company's most recent balance sheet is as follows	10M	CO4	BL3

Liabilities	Amount	Assets	Amount
Equity Capital (₹10 per share)	6,00,000		
		Net fixed assets	₹ 15,00,000
10% Long-term debt	₹8,00,000		
		Current assets	₹ 5,00,000
Retained earnings	₹2,00,000		
Current liabilities	₹4,00,000		
Total	₹20,00,000	Total	₹20,00,000

The company's total assets turnover ratio is 3, its fixed operating costs are ₹10,00,000 and the variable costs ratio is 40 per cent. The income tax rate is 35 per cent. Calculate Operating and Financial Leverage.

10	a)	Distinguish between capital and revenue items.	5M	CO5	BL2
	b)	Journalize the following	5M	CO5	BL3

    a) Goods worth Rs.30,000 destroyed in fire, Insurance company half the claim

    b) Delivery truck repaired at a cost of Rs.50,000

    c) A cheque for Rs. 20,000 sent to Kamal, accreditor in full settlement of account Rs.22,000

    d) A sum of Rs.50,000 received from Mahesh against a debt previously written off

    e) Salaries yet to be paid Rs.50,000

    f) M/s Suresh who owes Rs.20,000 becomes insolvent. Only 50% of the amount due is received.

OR

11		Explain Break even analysis. What are its managerial applications?	10M	CO5	BL4

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