

**M.Sc. FOOTWEAR TECHNOLOGY
(MSCFWT)**

00275

Term-End Examination

December, 2014

**MFW-028 : MANAGERIAL ECONOMICS AND
FUNDAMENTALS OF ACCOUNTS AND FINANCE**

Time : 3 hours

Maximum Marks : 70

Note : Answer any *three* questions from Part A and *four* questions from Part B.

PART A

(Answer any three questions)

1. What are the major areas of business decision making ? How does economic theory contribute to managerial decisions ? 10
2. Define incremental revenue and incremental cost. What is the role of incremental reasoning in business decisions ? 10
3. Distinguish between total and marginal utility. What is the role of equi-marginal utility principle in analyzing consumer behaviour ? 10
4. State and illustrate the Cobb – Douglas production function. What are the properties of this function ? 10

PART B

(Answer any four questions)

5. Calculate the fund from operations from the following details as on 31st March, 2012 : 10
- (i) Net Profit for the year ended 31st March, 2012 ₹ 6,50,000.
 - (ii) Gain on sale of building ₹ 35,500.
 - (iii) Written off Goodwill 10% from the book value of ₹ 1,80,000.
 - (iv) Old machine sold for ₹ 6,500, worth ₹ 8,000.
 - (v) ₹ 1,25,000 have been transferred to the general reserve fund.
 - (vi) ₹ 1,30,000 is provided for depreciation.
6. From the following balances you are required to calculate cash from operations : 10

Particulars	March 31 st	
	2011 ₹	2012 ₹
Debtors	50,000	47,000
Bills Receivable	10,000	12,500
Creditors	20,000	25,000
Bills Payable	8,000	6,000
Outstanding Expenses	1,000	1,200
Prepaid Expenses	800	700
Accrued income	600	750
Income received in advance	300	250
Profit made during the year	1,30,000	1,10,000

- 7. Define Depreciation and mention different methods of charging Depreciation.**
Mr. X purchased a machine costing ₹ 1,00,000 on 1.4.2009.
He sold the machine on 1.4.2012 for ₹ 60,000.
Rate of depreciation @ 15%.
Prepare Depreciation A/c and Machine A/c upto 1.4.2012. 10
- 8. Define Goodwill, Patent, Copyright and Trademarks.** 10
- 9. Define the following :** 10
- (i) Matching concept
 - (ii) Going Concern concept
 - (iii) Golden Rule of Accounts
 - (iv) Cash Flow
 - (v) Accrual Basis of Accounting
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