

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

Term-End Examination

December, 2013

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

Time : 3 hours

Maximum Marks : 70

Note : Attempt any seven questions.

1. What is inflation ? When can the inflationary gap arises ? Explain the methods to control the inflation in an economy. **10**
2. Explain the following (with graph) : **10**
 - (a) Shut down point
 - (b) Least cost combination
 - (c) Break - even point
3. Define monopolistic market. How is it different from monopoly ? How is the price of the commodity determined in short run under monopolistic market ? **10**
4. Define supply function. What are the determinants of supply of a commodity ? Explain. **10**

5. Rectify the following errors :
- (a) General expenses Rs. 90 was posted as Rs. 19.
 - (b) Rs. 500 paid for tools has been charged to the purchase A/c .
 - (c) Sales to X Rs. 9000 posted to Z's A/c .
 - (d) Salary paid Rs. 1520 posted in Salary A/c as Rs. 1250.
 - (e) Total of Sale's Return book was under cast by Rs. 500.
 - (f) Received commission of Rs. 50 was posted twice
 - (g) Salary of Rs. 500 paid to clerk was not entered.
 - (h) Sale's to Ram Rs. 5000 posted as Rs. 500.
 - (i) Purchased furniture of Rs. 3000 recorded in Purchase A/c.
 - (j) Purchase Book was overcast by Rs. 5000.
6. Prepare Accounting equations from the following :
- (a) Commenced business with cash Rs. 3,00,000.
 - (b) Paid three months advance rent for office Rs. 9000.
 - (c) Bought office car Rs. 42000.
 - (d) Received securities deposit from tenant's Rs. 5000.
 - (e) Interest due but not paid Rs. 500.
 - (f) Withdrew cash for office use Rs. 1000.
 - (g) Goods destroyed by fire Rs. 2500.
 - (h) Sold Goods to Ramesh on credit (costing Rs. 4000) for Rs. 3000.
 - (i) Withdrew good's for personal use Rs. 2000.
 - (j) Dividend Rs. 5000 received.

7. Find out the following from information given below : 10

- (a) Current Anet's
- (b) Current Liabilities
- (c) Liquid Anet's
- (d) Stock

When :

Current Ratio - 2.5 : 1

Liquid Ratio - 1.5 : 1

Working Capital Rs. - 90,000

8. Pass Journal Entries for the followings : 10

- (a) Provide depreciation on furniture Rs.1000.
 - (b) Rs. 20,000 for wages are outstanding.
 - (c) Goods worth Rs. 5,000 given as charity.
 - (d) Sold good's to paras for Rs. 7,000.
 - (e) Bought shares in siyaram Ltd. for Rs. 50,000.
 - (f) Paid Life Insurance premium of Rs. 10,000.
 - (g) Good's worth Rs. 3,000 withdrawn by the owner for his personal use.
 - (h) Received cash Rs. 2,000 for Bad debts written off last year.
 - (i) Discount Allowed Rs. 500.
 - (j) Received interest on Investment of Rs. 8,000.
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