

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

00071

Term-End Examination

December, 2015

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

Time : 3 hours

Maximum Marks : 70

Note : Attempt any seven questions. All questions carry equal marks.

1. Rectify the following errors : 5×2=10

- (a) The payment by cheque to a customer ₹ 550 was recorded twice.
- (b) Rent paid ₹ 1,500 was posted to the credit of Rent A/c as ₹ 150.
- (c) Goods purchased from Suresh ₹ 1,800 was recorded in Sales Book as ₹ 180.
- (d) A sale of ₹ 79 to Mohan was posted in his A/c as ₹ 97.
- (e) Commission of ₹ 350 was posted twice in Payment A/c.

2. Pass Journal entries for the following : $5 \times 2 = 10$

- (a) Purchased machinery for ₹ 30,000 and paid ₹ 500 for its carriage.
- (b) Paid rent in advance ₹ 1,000.
- (c) Goods costing ₹ 40,000 sold to Manoj at a profit of 20% on cost.
- (d) Goods for ₹ 10,000 were destroyed by fire.
- (e) Outstanding wages ₹ 80,000.

3. Prepare the Accounting Equation : $5 \times 2 = 10$

- (a) Started business with cash ₹ 8,00,000.
- (b) Purchased goods for ₹ 40,000 on credit.
- (c) Commission received in advance ₹ 2,000.
- (d) Amount withdrawn from bank ₹ 8,000.
- (e) Sold goods for cash ₹ 1,50,000 costing ₹ 1,00,000.

4. Define the supply function. What are the determinants of supply of a commodity ? 10

5. How can the deflation in an economy be controlled by the following ? Explain. 10

- (a) Monetary Policy
- (b) Fiscal Policy

6. What is Perfect Competition Market ? How is it different from Monopoly Market ? How is the price of a commodity determined in short run under Monopoly Market ? 10
7. What will be the effect on equilibrium when the demand is constant and the supply changes ? Explain. 10
8. What will be the price elasticity of demand if the consumer spends ₹ 100 when the price is ₹ 1 per unit, and spends ₹ 150 when the price increases to ₹ 2 per unit ? 10
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