

**B.Sc. FOOTWEAR DESIGN AND
PRODUCTION (BSCFWP)**

Term-End Examination

June, 2017

00664

**BFR-035 : BUSINESS ECONOMICS
AND ACCOUNTS**

Time : 3 hours

Maximum Marks : 70

Note :

- (i) *The question paper carries two Sections A and B.*
- (ii) *The marks allotted to each question are mentioned against it.*
- (iii) *Attempt any **four** questions from Section A and any **three** questions from Section B.*

SECTION A

*Answer any **four** questions.*

1. Explain elasticity of demand. Discuss various forms of elasticity of demand. 4+6=10
2. What does a production function show ? Differentiate between short run and long run production functions. 4+6=10

3. Explain the concepts of fixed and variable costs. Differentiate between average cost and marginal cost in the short run. $5+5=10$
4. Explain the concept of supply function. State the reasons for the supply curve being positively sloped. What is elasticity of supply? $3+5+2=10$
5. Explain the central problems of an economy. 10
6. Explain the circular flow of income to show Total Production = Total Income = Total Expenditure. 10
7. What are the assumptions of a perfect competition market? Explain the concept of 'break even' and 'shut down' point in the context of the perfect competition market. $6+4=10$
8. Write short notes on : $5+5=10$
- (a) Aggregate Demand Curve
 - (b) Features of Oligopoly Market

SECTION B

Answer any **three** questions.

9. "Financial statements reflect a combination of recorded fact, accounting principles and personal judgement." Explain this statement 10

10. What are final accounts ? Explain the steps of preparing the final accounts from Trial Balance. 10

11. What are the different types of accounts ? Explain the golden rules of accountancy. 10

12. Write short notes on any **two** of the following : $5+5=10$

(a) Fixed Assets and Current Assets

(b) Trial Balance

(c) Separate Entity Concept

13. From the following, prepare Funds Flow Statement :

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Balance Sheet as on 31st December

Liabilities	1994	1995	Assets	1994	1995
Share capital	6,00,000	8,00,000	Fixed assets	3,80,000	4,20,000
Reserves	2,00,000	1,00,000	Accounts payable	2,10,000	3,00,000
Retained earnings	60,000	1,20,000	Stock	3,00,000	3,90,000
Accounts payable	90,000	2,70,000	Cash	60,000	1,80,000
Total	9,50,000	12,90,000	Total	9,50,000	12,90,000

Additional Information

1. Depreciation written off during the year is ₹ 30,000.

14. What is Depreciation ? Explain different methods of depreciation.

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