

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

Term-End Examination

December, 2017

00460

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

Time : 3 hours

Maximum Marks : 70

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

1. Pass the journal entries of the following : 10
- (i) Ram commenced business with cash of ₹ 10,000.
 - (ii) Paid into bank ₹ 4,000.
 - (iii) Purchased machinery of ₹ 5,000.
 - (iv) Furniture purchased of ₹ 3,000 from Shyam.
 - (v) Commission received ₹ 300.
 - (vi) Paid salary of ₹ 300.
 - (vii) Charged interest on capital of ₹ 1,000.
 - (viii) Rent from tenants ₹ 800.
 - (ix) Withdrew ₹ 500 from bank.
 - (x) Depreciation charged on building ₹ 300.

2. Calculate Current ratio and Quick ratio from the following : 10
- (i) Cash — ₹ 50,000
 - (ii) Sundry Debtors — ₹ 1,50,000
 - (iii) Stock — ₹ 1,80,000
 - (iv) Accrued wages — ₹ 60,000
 - (v) Creditors — ₹ 80,000
 - (vi) Short term loan — ₹ 80,000
3. Explain and classify the following into Real, Personal and Nominal account and also mention the golden rules of accounting. 10
- (i) Drawings
 - (ii) Capital
 - (iii) Insurance
 - (iv) Debtors
 - (v) Cash
 - (vi) Salary
 - (vii) Carriage
 - (viii) Machinery
 - (ix) Bank
 - (x) Land
4. Define Supply Concept. What are the factors affecting the supply of goods ? Why is the supply curve sloping in an upward direction ? 10
5. Explain and illustrate the Returns to Scale (with graph). 10

6. (a) Explain the relationship between AC and MC (with graph). 5
- (b) Distinguish between Monopoly and Monopolistic competition. 5
7. Rectify the following errors : 10
- (i) Purchase account is overcast by ₹ 1,000.
- (ii) Received one bill from Arun of ₹ 500, passes through Bills Payable account.
- (iii) Sales book was undercast by ₹ 500.
- (iv) Purchase of delivery van of ₹ 2,00,000 was entered in the Purchase account.
- (v) ₹ 1,000 received from B. Bose has been credited to account of K. Bose.
- (vi) ₹ 2,000 of purchase return was posted in purchase account.
- (vii) ₹ 1,000 paid to Shyam wrongly credited to his account.
- (viii) Sales Return Book was found undercast by ₹ 300.
- (ix) Purchased machinery worth ₹ 5,00,000 but recorded in Building account.
- (x) Bad debt of ₹ 100 was omitted to record.
8. Define Economics. How do economic problems affect the GDP of a nation ? 10

