

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

Term-End Examination

00320

December, 2017

**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. Define the concept of Opportunity Cost. Discuss the implications of opportunity cost in business decision-making. 10
2. Why does a demand curve slope downwards to the right ? Can a demand curve slope be upward to the right and under what condition ? 10
3. Define the following : 5×2=10
 - (a) Nominal account
 - (b) Going concern concept
 - (c) Accrual basis of accounting
 - (d) Cost concept
 - (e) Matching concept

4. The following are the extracts from the financial statements of M/s Puneet Exports Limited as on 01-04-2015 to 31-03-2016 :

Particulars	01-04-2015 ₹	31-03-2016 ₹
Stock	10,000	25,000
Debtors	20,000	20,000
Bills Receivable	10,000	5,000
Advance (Recoverable in cash)	2,000	—
Cash in hand	18,000	15,000
Creditors	25,000	30,000
Bills Payable	15,000	20,000
Bank Overdraft	—	2,000
9% Debentures 2018	2,00,000	2,00,000
Sales for the year	3,50,000	3,00,000
Gross Profit	70,000	50,000

You are required to compute the following for both years :

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- Current ratio
- Liquid ratio
- Stock turnover ratio
- Number of days outstanding of debtors
- Stock – working capital ratio

5. What is Cash Flow Statement ? What are the steps required for preparation of a cash flow statement ? 10
 6. What is Inflation ? Explain the methods to control inflation in an economy. 10
 7. Define the Supply Function. Discuss various determinants of supply curve of a commodity. 10
 8. What is Perfect Competition ? How is it different from Monopoly and Monopolistic competition ? 10
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