

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

Term-End Examination

00239

June, 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. What is meant by law of demand ? Why does the demand curve slope downwards ? What are the exceptions to the law of demand ? 10
2. What is inflation ? Explain the methods to control inflation in an economy. 10
3. What is average cost ? Explain the relationship between average cost and marginal cost. 10
4. Define monopolistic market. How is it different from monopoly market ? How is the price of a commodity determined in the short run under monopolistic market ? 10

5. Given that the quantity previously demanded was 100 units. There is a decrease in quantity demanded by 5 units while there is an increase in price of ₹ 5. Price elasticity of demand is 1.2. Calculate the original price before the changes. 10
6. Rectify the following errors : 5×2=10
- (a) A sale of ₹ 350 to Sethi was entered in the Sales Book as ₹ 530.
 - (b) ₹ 1,000 being Purchase Returns was posted to the debit of Purchase A/c.
 - (c) General expenses ₹ 18 was posted as ₹ 80.
 - (d) An amount of ₹ 2,000 from Ram has been posted to the credit of Ram as ₹ 200.
 - (e) ₹ 79 paid for Repairs on machine was debited to Repairs A/c as ₹ 97.
7. Journalise the following transactions : 5×2=10
- (a) Purchased goods from Mukesh and Co. on credit ₹ 10,000.
 - (b) Ram purchased goods of the Invoice value of ₹ 10,000 at 10% trade discount from Suresh.
 - (c) Income tax liability of Ram ₹ 1,000 was paid in cash.
 - (d) Cash received from Mohan ₹ 800, allowed him ₹ 50 as discount.
 - (e) Ram withdraws goods for personal use costing him ₹ 5,000.

8. Prepare an accounting equation from the following : 5×2=10

- (a) Commenced business with cash ₹ 3,00,000.
 - (b) Bought office car for ₹ 42,000.
 - (c) Received security deposits from tenants ₹ 20,000.
 - (d) Paid 3 month's advance rent of office ₹ 4,200.
 - (e) Sold goods to Ramesh on credit (costing ₹ 4,000) for ₹ 3,000.
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