

ENGINEERING ECONOMICS & BOOKKEEPING

EX/CONT/421/2017

Time : Three Hours

Answer parts of any question **SERIALLY**
PART I

Full Marks : 100

Answer of a question No. 1 & any TWO of the rest. Please start answering a **NEW** question or part thereof from a **FRESH NEW** page.

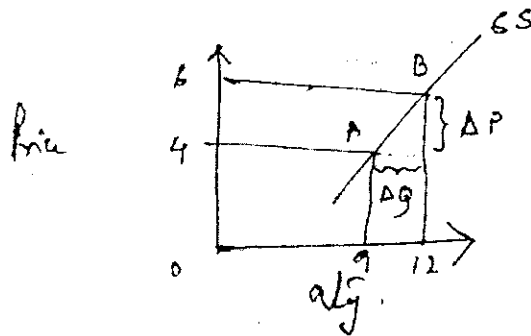
- 1 (a) Distinguish between : (*Any three*) 3 X 3 = 9
(i) Fixed Assets & Current Assets.
(ii) Cash & Bank Transactions.
(iii) Gross Profit & Profit after Tax.
(iv) Capital Owned & Capital Employed.
- (b) Annotate : (*Any three*) 3 X 3 = 9
(i) Petty Cash.
(ii) Sundry Debtors.
(iii) Working Capital.
(iv) Solvency.
- 2 Post the following transactions in a petty Cash Book- 16
January 3 : Received Rs. 2,150/- cash from erstwhile cashier.
January 5 : Refreshments to office visitors of Rs. 280/-.
January 6 : Purchased Office Stationary of Rs. 250/-
January 8 : Paid cleaner & tea maker wages of Rs. 240/-.
January 10: Spent for postages, glue & envelopes & other office contingencies Rs. 150/-
January 15: Sealing wax, stapler pin charges of Rs. 40/-
January 18: Pay Electric bill of Rs. 1,260/-
January 21: Office toilet & floor clearing wages & detergent purchase of Rs.150/-
January 23: Bus fares for messengers Rs. 60/-
January 25: Pay Water & Municipal taxes of Rs. 380/-
January 28: Pay M/s. Gobar Krishna Patnaik Caterers for supply of lunch packets of Board Meeting at Rs. 450/- per pack for ten packs
January 31: Purchase Pen & Paper of Rs. 430/-
Balance the cash book & comment that amount you can receive from the '*Cashier in Charge*' under the imprest system.
3. M/s. Orissa Industrial Development Corpn. Ltd., Bhubaneswar started business with Rs. 10,00,000/- in bank on June 01, 2016. The following transactions took place during the month. 16
July 1 : Bought Office furniture by cheque of Rs 22,000/-
July 3 : Advanced loan to M/s Panchu Langra Ghosh, Tikri Rs. 2,60,000/- by cheque & paid advance rent of Rs. 3,000/- by cheque.
July 4 : Cash sales of Rs. 40,000/- & credit sale of Rs. 30,000 & Rs. 24,000 paid to bank.
July 6 : Paid Rs. 1,400/- wages to office attendants.
July 18 : Credit sales of Rs. 40,000/- & payment to bank Rs 10,000/-
July 19 : Bought goods on credit of Rs. 70,000/- from M/s. S.K. Parida
July 21 : From cheque for M.P. of Rs. 22,000/-
July 23 : Bought fax, laptops worth Rs 85,000/-
July 24 : Paid wages for sub-stuffs of Rs. 21,000/-
July 26 : Collected interest on loan of Rs.1,19,000/- from various sources.
July 28 : Paid Rs. 75,000/- collected as interest payment to bank.
July 31 : Paid all cash to bank except, Rs 26,000/- cash in hand.
Enter all the ledger entries, prepare a Trial balance, Trading & Profit & Loss Account & Balance sheet as at July 31, 2011. The closing stock was valued at Rs.1,45,000/-.
4. M/s Eknojit Mondol started business on September 01 with Rs. 5,00,000/- in bank & Rs. 70,000/- in hand. He owed Rs. 20,000/- to M/s. Magan Singh for the liquors supplied for consumption in the party supplied on 31st August. Prepare his cash book open the necessary ledger accounts & take out a Trial Balance on 30th September. 16
September 4 : Paid Rs. 3,200/- by cheque as rent.
September 6 : Cash sales of Rs. 14,500/-
September 7 : Drew Rs. 900/- cash for self.
September 9 : Paid Rs. 6,600/- to bank & sent an A/c payee cheque to M/s. Escorts Limited of Rs, 8,000/-.
September 12 : Bought a second hand vehicle for Rs. 1,52,000/- & paid by cheque.
September 18 : Paid on advertising account Rs. 4,000/-.
September 20 : Bought office furniture of Rs. 22,000/- by cash.
September 26 : Bought goods of Rs. 18,000/- from M.N. Sarma & gave cheque of Rs. 13,000/- & a post dated cheque of Rs. 7,000/- payable on September 30.
September 28 : Arranged overdraft for payment of M/s. Topakul Bandal of Rs. 23,000/-
September 30 : Paid all surplus cash (except Rs. 19,000) to Barklays Bank.

PART - II (50 Marks)
Answer all questions

1. Answer all questions

2.5 x 4

- Why do far fewer children complete high school in poor countries than in rich countries?
- Why does government subsidize the plantation of trees on hillsides?
- If a 10% increase in income causes the number of students opting for Pvt. Engg. colleges to go up by 5% what is the income elasticity of demand for Pvt. Engg. college?
- What are the price elasticities of supply at A and B on the SS curve shown in the accompanying figure?



- Explain graphically what will happen to the equilibrium price and quantity in the market for pulses if both of the following events occur. 5+5
 - Researches discover that a vitamin found in pulse helps prevent cancer.
 - A swarm of locusts destroys part of the crop?
- (a) Find the equilibrium price and quantity in a market whose Supply and Demand curves are given by :

$$P = 2Q^s$$

$$P = 8 - 2Q^d$$

respectively.

b) Prove that : When $cl_p > 1$ changes in price and changes in total expenditure always move in opposite direction. 5

4. Draw a PPF and explain: 10

- (i) The economic significance of a point inside the PPF
- (ii) A point lying on the PPF
- (iii) The shapes of PPF.

OR

Attempt a seat sketch of the circular flow diagram of an economy with three (03) units.

What does this diagram tell us about measuring the national income? (8+2)

5. Given $u = u(\pi) ; u' > 0$ and LDMU derive the normal price demand relation. 10