

B. E. ELECTRICAL ENGINEERING FOURTH YEAR SECOND SEMESTER (OLD) EXAM 2018**SUBJECT : ENGINEERING ECONOMICS AND COSTING Time : Three Hours Full Marks : 100**Answer any five questions

1. a) State the Law of Demand. What are the factors affecting the demand of a commodity?
How do you determine the equilibrium price and quantity in a perfectly competitive market? 2+6+5
- b) State the Law of Supply. What are the factors affecting the supply of a commodity? 2+5
2. Discuss inflation – the factors causing it and the methods generally adopted to control it. 20
3. Distinguish between Direct tax and Indirect tax. What are the merits and demerits of these two kinds of taxes? 4+16
4. Discuss the different functions of the Reserve Bank of India. 20
5. a) What is a Journal? What are its functions and what are its advantages? 2+8
- b) What is a Ledger? Distinguish between a Ledger and a Journal. 2+8
6. Mr. D. Sharma entered into the following transactions during the month of June 2017.
Journalise the following transactions.
 - Jun 1: Started business with cash ₹ 1,00,000 out of which paid into bank ₹ 40,000
 - Jun 2: Bought furniture for ₹ 10,000 and Machinery for ₹ 20,000
 - Jun 3: Sold goods for ₹ 16,000
 - Jun 5: Purchased goods for ₹ 28,000
 - Jun 6: Purchased goods from B. Brothers on credit for ₹ 22,000
 - Jun 8: Paid Telephone bill by cheque ₹ 1,000
 - Jun 12: Sold goods to Siva on credit for ₹ 24,000
 - Jun 15: Amount withdrawn for personal use ₹ 3,000
 - Jun 30: Paid salary ₹ 30,00020

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7. From the following Ledger account Balances extracted from the books of Kothari & Co, prepare a Trial Balance as on 31.03.2018.

| | |
|----------------------------------|--------------------------|
| Purchases - ₹ 1,04,000 | Drawings - ₹ 7,950 |
| Debtors - ₹ 18,550 | Creditors- ₹ 8,300 |
| Premises - ₹ 62,000 | Returns inward- ₹ 5,360 |
| Sales - ₹ 1,49,000 | Furniture - ₹ 15,600 |
| Returns outward - ₹ 8,900 | Cash in Hand - ₹ 390 |
| Tax - ₹ 780 | Capital - ₹ 85,000 |
| Cash at Bank- ₹ 1,560 | Factory wages- ₹ 5,830 |
| Salaries - ₹ 3,900 | Carriage outwards- ₹ 260 |
| Stock (on 01-04-2017) - ₹ 25,000 | Rent Received - ₹ 2,990 |
| Carriage inwards - ₹ 650 | Insurance - ₹ 2,100 |
| Stock(on 31-03-2018) - ₹ 20,000 | Bad Debts - ₹ 260 |

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8. Prepare a Trading and Profit & Loss Account and a Balance Sheet from the following particulars taken from the books of J. K. Trader for the year ending 31st. March 2018:

| | |
|-----------------------|--------------|
| Cash at Bank | : ₹ 5,000 |
| Drawings | : ₹ 8,700 |
| Capital | : ₹ 3,00,000 |
| Wages | : ₹ 25,600 |
| Travelling expenses | : ₹ 15,900 |
| Salaries | : ₹ 1,14,600 |
| Rent & Taxes | : ₹ 50,900 |
| Customs Duty | : ₹ 5,000 |
| Carriage inwards | : ₹ 4,400 |
| Carriage outwards | : ₹ 1,400 |
| Sales | : ₹ 6,64,700 |
| Returns Outward | : ₹ 2,800 |
| Purchases | : ₹ 3,72,000 |
| Machinery | : ₹ 2,70,000 |
| Stock (on 01-04-2017) | : ₹ 47,500 |
| Returns Inward | : ₹ 3,500 |
| Furniture | : ₹ 15,000 |
| Debtors | : ₹ 80,000 |
| Discount received | : ₹ 2,000 |
| Creditors | : ₹ 50,000 |

Adjustments:

1. Stock (on 31-03-2018) was valued at ₹ 56,000
2. Depreciation on machinery @ 10% and on furniture @ 5%

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