

**Bachelor of Information Technology Examination, 2019**(4<sup>th</sup> Year, 1<sup>st</sup> Semester)**Economics**

Time: Three Hours

Full Marks: 100

Different parts of the same question should be answered together

<b>CO 1</b> <b>[ 36 ]</b>	<p><b>1. Answer any two from (a), (b) and (c) in this block</b> <span style="float: right;"><b>2 x 18 = 36</b></span></p> <p><b>(a)</b> Write short notes on any four of the following: (i) Least cost combination of inputs, (ii) Law of demand and determinants of demand, (iii) Price floor and price ceiling, (iv) Price elasticity of demand and its limitations, (v) Production possibility frontier, (vi) Limitations of law of equi-marginal utility. <span style="float: right;"><b>4 x 4.5</b></span></p> <p><b>(b)</b> Define 'Economies of Scale'. Classify and explain 'Internal Economies of Scale'. What does 'External Economies of Scale' mean to you? Explain 'External Economies of Scale' <span style="float: right;"><b>1 + 10 + 1 + 6</b></span></p> <p><b>(c)</b> How 'Scarcity' impacts economic decision making? Describe in your own words the importance of economics for engineers. Explain the concepts of specialization and comparative advantage of countries from economic point of view. What do you understand by absolute advantage? <span style="float: right;"><b>5 + 5 + 3 + 3 + 2</b></span></p>																						
<b>CO 2</b> <b>[ 14 ]</b>	<p><b>2. Answer any one from (a) and (b) in this block</b> <span style="float: right;"><b>1 x 14 = 14</b></span></p> <p><b>(a)</b> Which factors impact market performance? Classify market competition. What are the features of 'Monopoly market'? Enumerate two conditions of equilibrium under perfect competition. Present a diagram of pricing in the very short run under perfect competition. <span style="float: right;"><b>3 + 2 + 4 + 2 + 3</b></span></p> <p><b>(b)</b> Explain any two of the following: (i) Monopolistic competition, (ii) Oligopoly, (iii) Price discrimination <span style="float: right;"><b>2 x 7</b></span></p>																						
<b>CO 3</b> <b>[ 36 ]</b>	<p><b>3. Answer any two from (a), (b) and (c) in this block</b> <span style="float: right;"><b>2 x 18 = 36</b></span></p> <p><b>(a)</b> Develop a cost sheet from the following particulars in the book of Agni Publishers (in Rs. '000 ):</p> <table style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td>Raw materials purchased = 1,20,000</td> <td>Paid freight charges = 10,000</td> </tr> <tr> <td>Wages paid to labourers = 35,000</td> <td>Directly chargeable expenses = 25,000</td> </tr> <tr> <td>Factory on cost = 20% of prime cost</td> <td>General &amp; admin. Expenses = 10% of factory cost</td> </tr> <tr> <td>Selling &amp; distribution expenses = 5% of cost of production</td> <td></td> </tr> <tr> <td>Profit = 10% of sales</td> <td></td> </tr> </tbody> </table> <table style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="width: 30%;"></th> <th style="width: 30%; text-align: center;"><b>Opening stock</b></th> <th style="width: 30%; text-align: center;"><b>Closing stock</b></th> </tr> </thead> <tbody> <tr> <td>Raw materials</td> <td style="text-align: center;">15,000</td> <td style="text-align: center;">20,000</td> </tr> <tr> <td>Work in progress</td> <td style="text-align: center;">17,500</td> <td style="text-align: center;">24,000</td> </tr> <tr> <td>Finished goods</td> <td style="text-align: center;">20,000</td> <td style="text-align: center;">27,500</td> </tr> </tbody> </table> <p style="text-align: right;"><b>18</b></p> <p><b>(b)</b> Make journal entries and respective ledger entries, and finally prepare a month-end trial balance from following transactions:.</p> <p>(i) On 01 /01/ 18 Durga opened a business with a capital of Rs. 120 Lakh.</p> <p>(ii) On 10 /01 / 18 purchased long-term assets of Rs. 40 lakh in cash from Vishwakarma.</p> <p>(iii) On 20 / 01 / 18 purchased inventories of Rs. 40 Lakh paid in form of a bank draft which was</p>	Raw materials purchased = 1,20,000	Paid freight charges = 10,000	Wages paid to labourers = 35,000	Directly chargeable expenses = 25,000	Factory on cost = 20% of prime cost	General & admin. Expenses = 10% of factory cost	Selling & distribution expenses = 5% of cost of production		Profit = 10% of sales			<b>Opening stock</b>	<b>Closing stock</b>	Raw materials	15,000	20,000	Work in progress	17,500	24,000	Finished goods	20,000	27,500
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Prepared and handed over to the supplier on the same date.

(iv) On 31/01/18 made credit sales of Rs. 20 Lakh.

4 + 10 + 4

(c) The following trial balance was taken from the books of Lakshmi Co. on December 31, 2017. All amounts are in Rupees.

Cash	13,000	
Sundry debtors	10,000	
Bills receivable	8,500	
Opening stock	45,000	
Building	50,000	
Furniture and fittings	10,000	
Investment (Temporary)	5,000	
Plant and Machinery	15,500	
Bills payable		9,000
Sundry creditors		20,000
Lakshmi's capital		78,200
Lakshmi's drawings	1,000	
Sales		100,000
Sales discount	400	
Purchases	30,000	
Freight inward	1,000	
Purchase discount		500
Sales salary expenses	5,000	
Advertising expenses	4,000	
Miscellaneous sales expenses	500	
Office salary expenses	8,000	
Misc. general expenses	1,000	
Interest income		1,000
Interest expenses	800	
	2,08,700	2,08,700

Note: closing stock on December 31, 2017 was Rs.14,000

Prepare a trading account, profit and loss account, and an end of year balance sheet from the above trial balance in report form.

6 + 6 + 6

CO 4  
[ 14 ]

4. Answer any one from (a) and (b) in this block

1 x 14 = 14

(a) Enumerate features of Indian economy. Explain any three features.

5 + 9

(b) What do you understand by globalization of economy? What steps were taken to liberalize Indian economy in 1990's? What are the advantages and disadvantages of globalization of economies? 2 + 4 + 8

CO1: Classify various concepts and principles of micro-economics (K2)

CO2: Describe main features of market. (K1)

CO3: Solve cost accounting and financial accounting related problems. (K3)

CO4: Explain Indian and global economic situations. (K2)