

**PAPER No. 3
Business Economics, Accounting & Finance**

Date : 10.12.2009

Max. Marks :100

Time : 2.00 p.m to 5.00 pm

Duration :3 Hrs.

Instructions :

1. From Part A – answer all questions (compulsory). **Total: 32 Marks**
2. From Part B – Answer any 3 questions out of 5 questions. Each question carries 16 marks **Total: 48 Marks**
3. Part C is a case study (compulsory). Read the case study carefully and answer the questions **Total: 20 Marks**

PART A

Q) 1. Choose the right answers from choice given below:-

1. Selling Cost is:-
 - a) A product price fixed by the Government, which is above the equilibrium price.
 - b) It is same as advertising costs.
2. Supply Schedule is represented as:-
 - a) It is the law of supply presented in tabular form.
 - b) It relates quantity supplied of a product to its price.
3. Who is a Debtor:-
 - a) Is a person who owes money to the business?
 - b) Is a person to whom the business owes money?
4. Monopoly Means:-
 - a) It is a market in which there is one seller with multiple products.
 - b) It is a market in which multiple sellers with few products.
5. Total variable Costs:-
 - a) It is the total of all the cost, which varies with the level of output.
 - b) It is same as total physical product costs.
6. What is BRS shows (Bank Re-conciliation Statement).
 - a) Its shows a difference between profit & loss account of a Bank.
 - b) Its shows a difference between pass book & a cash book of a Bank.
7. Why accounting is necessary:-
 - 1) To know the growth of the business by recording the transactions.
 - 2) To know the profit or loss at the end of the every financial year.
 - a) Both the answers are correct.
 - b) only 1st answer is correct
 - c) only 2nd answer is correct.
8. Diminishing Returns to Scale means:-
 - a) Negatively sloped curve, it is the plot of Demand Schedule.
 - b) It is same as decreasing Returns to Scale.

Q 2 PART- A - Expand the following abbreviations:-

1. SEBI
2. IRBI
3. NABARD
4. Cr.
5. NCDC
6. BRS
7. MR
8. P & L a/c.

Q 3 PART –A - Fill in the blanks with appropriate words:-

1. Monopolies andpractices Act.
2. Reserve fordebts.
3. Debit the receiver & credit the giver fits in which rules of accountancy
.....
4.It refers to a situation, where quantity demanded exceeds quantity supplied.
5.refers to a transaction which has no movement of cash between the business & other person, it is postponed for a future dates.
6.is transaction having the implication of exchange of goods for goods, instead of money.
7. If the goods purchased are returned by a business to its seller is called-
.....
8. Trading account, profit & loss account, and balance sheet are prepared
Trial balance is called.account.

Q 4 PART A

4. India being hub for IT SOURCING elucidate.

PART- B

Answer any three questions each question carries 16 marks (3X16)=48 marks.

5. Define basic features of Indian Economy, with special reference to five year plans.
6. Write Short Notes on (any four) :-
 - a) RBI
 - b) India being hub for IT SOURCING elucidate
 - c) Explain the General theory of pricing with help of table & diagram.
 - d) Inflation & Deflation.
 - e) Mixed Economy
 - f) India as an Industrial Economy by 2020.

7. Prepare Trial Balance of Mr. Arun as on 31.03.2009.

PARTICULARS	AMOUNT (Rs.)
Opening Balance	5000
Sales	60000
Return inwards	6785
Return outwards	587
Purchases	36000
Carriage	1000
Capital	20000
Salary	800
Rent Paid	200
Drawings	1000
Commission Received	900
Furniture	10000
Wages	115
Interest Received	113
Building	20700

8. On 1st October 2009 Govind sold goods to Krishna for Rs.20000. He draws a three month bill on Krishna for the amount due Krishna accepted the bill.
On 20th Govind endorsed the bill to srinivas on the same day srinivas discounted the bill with his banker for Rs. 9500 on the due date the bill was honoured. Pass journal entry on the books of Govind, Krishna, and Srinivas.
9. From the following trail balance, prepare Trading and Profit & loss A/c for the year ended 31st December,2008 and Balance Sheet as on that date, after taking into account the adjustment given at the end.

Particulars.	L/F	Debit	Credit
Capital of Mr. Ramesh		-----	100000
Drawings		16000	---
Stock on 1.1.2008		35000	---
Purchases		149000	---
Purchases returns		----	6000
Sales		----	217000
Sales returns		1600	---
Land & Building		85000	---
Sundry Debtors		24000	---
Sundry Creditors		----	10000
Salaries		4000	---
Rent & taxes		1800	---
Discount		400	----
Wages		5560	----
Printing & Stationery		1860	----
Furniture		2000	----
Bad Debts		1240	----
Bills receivable		1700	----
Carriage inwards		1400	----
Bills Payable		-----	1570
Bank Over Draft		----	5030
Cash in hand		9040	---
		3,39,600	3,39,600

Adjustments:-

- a) Value of closing stock Rs.45560/-
- b) Create 5% R.D.D. on Sundry Debtors.
- c) Depreciate land & building at 2% & Furniture at 5%
- d) Rent paid in advance Rs.400/-.

PART –C (CASE STUDY)

Q 10.

On 31st July 2009 a Tin manufacturer desired to quote for contract the supply of 2,000 Tin. From the following particulars, prepare a statement showing the price to be quoted to give the same percentage of net profit on the turnover as was realized during 6 months ending 2009.

Sl.No.	Particulars	Rs.
1.	Stock of materials on 1 st January 2009	200000
2.	Stock of materials on 30 th June,2009	28000
3.	Purchases of materials during 6 months	300000
4.	Factory wages during 6 months	600000
5.	Indirect wages during 6 months	100000
6.	Sales during 6 months	1080000
7.	Stock of finished Tins on 1.1.2009	Nil
8.	Stock of finished Tins on 30.06.2009	200000

The number of tins manufactured during the 6 months was 24,000 including those sold and those in the stock at the close of the period. The tins to be quoted are of a uniform size and quality similar to those manufactured during the 6 months to 30th June 2009. As from 1st July 2009, the cost factory labour has increased by 10% and of materials by 5%.