

Total No. of printed pages = 8

END SEMESTER EXAMINATION, NOVEMBER 2018

Semester – 3rd

Subject Code : Hu-302

**ENGINEERING ECONOMICS
AND ACCOUNTANCY**

Full Marks – 70

Time – Three hours

The figures in the margin indicate full marks for the questions.

Instructions :

1. Questions on Part-A are compulsory.
2. Answer any *five* questions from Part-B.

PART – A

Marks – 25

1. Fill in the blanks :

1 × 10 = 10

- (a) _____ was the author of "The Wealth of Nations".
- (b) Economic problems arise because of _____ resources.

[Turn over

- (c) The demand for tea, milk and sugar is _____ demand.
 - (d) Free goods have great _____.
 - (e) As the income is more the expenditure on luxuries _____.
 - (f) Every debit must have corresponding _____.
 - (g) Only cash transactions are recorded in a _____ Book.
 - (h) Depreciation refers to _____ in the value of Fixed Assets.
 - (i) Trial Balance checks the _____ accuracy of ledgers.
 - (j) Gross Profit can be determined in _____ account of final account.
2. Write true or false : 1×10=10
- (a) The utility from last unit of consumptions is total utility.
 - (b) The more we use a thing the less we desire for it.
 - (c) Money serves as a medium of exchange.

48/Hu-302/EE&A (2)

- (d) Internal Economies reduces the production cost.
 - (e) Money replaces barter system.
 - (f) Cash Book can never show credit balance.
 - (g) Purchase machinery is a revenue expenditure.
 - (h) Outstanding rent means rent due but not paid.
 - (i) If loss is incurred, capital increases.
 - (j) The both sides of Trial Balance does not agree.
3. Choose the correct answer : 1×5=5
- (a) Production is the creation of
 - (i) Utility
 - (ii) Wealth
 - (iii) Goods or Services
 - (iv) Value
 - (b) The name of Central Bank in India
 - (i) Central Bank in India
 - (ii) State Bank in India
 - (iii) Reserve Bank in India
 - (iv) United Bank in India

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(c) Which one of the following is not a function of Commercial Banks ?

- (i) Acceptance of deposits
- (ii) Issue of loans
- (iii) Credit creation
- (iv) No fund transfer

(d) Which of the following is a Personal Account ?

- (i) Cash Account
- (ii) Tax Account
- (iii) Bank Account
- (iv) Profit and Loss Account

(e) Errors which does not effect Trial Balance is

- (i) Clerical Errors
- (ii) Errors of Principles
- (iii) Errors of Omission
- (iv) Errors of Commission

PART - B

Marks - 45

4. (a) State five characteristics of wants. 4

(b) How wants are changes in income effects ? 3

(c) Classify the wants. 2

5. (a) Explain the Law of Demand with the help of a diagram. 4

(b) Write the limitations of Law of Demand. 3

(c) What are the interrelated demand ? 2

6. (a) Define production. 2

(b) What are the factors of productions ? 3

(c) State the factors effecting efficiency of labour. 4

7. (a) Define money. 2

(b) State the different kinds of money. 4

(c) State three functions of Central Bank. 3

8. (a) Define double entry system. What are the advantages of the system? 5
(b) What are the different types of account? State the rules of debit and credit. 4
9. (a) Differentiate between capital and revenue expenditure with examples. 4
(b) What are the different types of errors? Which error remain undetected after the agreement of Trial Balance? 5
10. April 01, 2016 Anil started business with Rs. 100,000 and other transactions for the month are :
 2. Purchase furniture for cash Rs. 7,000.
 8. Purchase goods for cash Rs. 2,000 and for credit Rs. 1,000 from Nahata Store.
 14. Sold goods to Jaisowal Brothers Rs. 12,000 and cash sales Rs. 5,000.
 18. Owner withdrew of worth Rs. 2,000 for personal use.
 22. Paid Nahata Store Rs. 500.
 26. Received Rs. 10,000 from Jaisowal Brothers.
 30. Paid salaries expense Rs. 2,000.
 Make necessary Journal entries in the books of Mr. Anil. 9

11. From the following particulars make Cash Book of Rhino Trading Co. for the month of November, 2016 : 9
 1. Cash balance (Cr) Rs. 2,000; Bank balance Rs. 40,000.
 4. Cash sales Rs. 3,700; Credit sales Rs. 1,800.
 6. Paid ABC Bros. by cash Rs. 500; Received cash from credit sales Rs. 1,800.
 12. Paid to rent by means of cheque worth Rs. 2,700.
 13. Paid electricity bills in cash Rs. 250; Bought goods by cheque Rs. 750.
 19. Drew from Bank for office use Rs. 160; Personal withdrawal of cash Rs. 1,000.
 20. Received a cheque from ABC Bros. Rs. 1,800 and deposited into the bank.
 21. Received by cheque from Anand Rs. 1,360; Discount allowed Rs. 140.
 25. Cash sales Rs. 2,100; Paid wages through bank Rs. 1,500.
 29. Purchased goods for Rs. 3,000 and payment made by cheque, discount received Rs. 200.

12. Find out Gross profit and Net profit or Gross loss and Net loss from the following records of Assam Tourism Ltd.

9

- (i) Opening stock Rs. 25000.00
- (ii) Purchase Rs. 50000.00
- (iii) Carriage inward Rs. 3000.00
- (iv) Sales Rs. 50000.00
- (v) Closing stock Rs. 30000.00
- (vi) Interest earned on bank deposits Rs. 2500.00
- (vii) Repairs Rs. 3500.00
- (viii) Tax on income Rs. 5000.00
- (ix) Carriage outward Rs. 1500.00
- (x) Dividends Rs. 5000.00.