Reg. No.

## MANIPAL INSTITUTE OF TECHNOLOGY

(A constituent unit of MAHE, Manipal)

## SECOND SEMESTER M.TECH. (CEM)

### END SEMESTER EXAMINATIONS, APRIL-MAY, 2019

## SUBJECT: CONSTRUCTION ECONOMICS & ACCOUNTING (CIE- 5202)

#### REVISED CREDIT SYSTEM / /2019

#### Time: 3 Hours

MAX. MARKS: 50

### Instructions to Candidates:

- ✤ Answer ALL questions.
- ✤ Missing data may be suitable assumed.

Q1A.	Journalise the following transactions of M/s A2Z & Co. for the month of December 2019.					
	December 2: Commenced a business with cash Rs. 70,000.					
	December 4: Purchased machinery worth Rs. 50,000 from M/s Mishra & Co. on credit.					
	December 6: Opened an account in SBI Bank with Rs. 30,000					
	December 8: Withdrew Rs. 10,000 from Bank for personal use.					
	December 10: Sold goods for cash Rs. 30,000					
	December 15: Received a cheque of Rs. 60,000 for the service rendered to customers.					
	December 23: Paid balance amount of Rs. 50,000 due to M/s Mishra & Co. towards the purchase of machinery.					
	December 31: Paid utility charges Rs. 20,000					
Q1B.	Describe any 3 accounting concepts used in Accounting practices ?	3M	CO1			
Q1C.	Discuss the merits and demerits of discounted cash flow techniques.	3M	CO4			
Q2A.	What is Budget ? Explain different classifications of budget with example?	<b>4M</b>	CO4			

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Q2B.	Prepare the Profit & Loss Account and Balance sheet of MNC & Co. after considering the adjustments for the Trial Balance shown on March 31, 2019 as follows							
	Particulars		Debit	(Rs.)	Credit (Rs.)			
	Interest		20010	3000	010410 (1151)	5000		
	Bank Loan				8	860000		
	Furniture			80000				
	Building			600000				
	Debtors			300000				
	Salary			30000				
	Utilities Expense	es		13000			6M	002
	Fixed Deposit w	ith Bank		200000			UIVI	002
	Travelling Exper	nditure		12000				
	Rent			25000		45000		
	Advance to Sach	in		250000				
	Bad debt			10000				
	Capital				(	513000		
	•			1523000	1:	523000		
Q3A.	<ul> <li>2. Outstanding rent expenses Rs. 2000</li> <li>A company sells his product at Rs. 400 each. Variable costs are 130 per unit and fixed cost of production are Rs. 6,21,000.</li> <li>a. What is product break-even point in units and sales in rupees?</li> <li>b. How much should the company sell to make a profit of Rs. 30,000 ?</li> </ul>					5M	CO5	
	From the balance sheet as shown, prepare the Comparative Balance sheet and comment on the performance. (All figures in below table are in Rs.)							
	Liabilities	2017	2018	Assets	2017	2018		
	Secured Loans	50000	50000	Building	100000	90000		
Q3B.	A/c payable	80000	70000	Plant	50000	40000	5M	CO3
	Share Capital (Rs. 10 each)	100000	200000	Cash	50000	90000		
	Reserves & Surplus	30000	80000	A/c receival	ble 30000	60000		
	Inventories 30000 120000							
Q4A.	What are the different finances can be used?	t sources	of finance	e? Mention the	e purpose for	which these	5M	CO4

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Q4B.	A company possess the following current assets: Cash: Rs. 1,00,000 Goods: Rs. 1,40,000 Debtors: Rs. 4,00,000 Prepaid expenses:90,000 If the current ratio for the firm is <b>2:1</b> , determine the current liabilities. Also calculate the Quick Ratio of the firm and comment on the liquidity of the firm in comparison with ideal ratio.					3M	CO3	
Q4C.	What are the	objectives of fina	ancial manag	gement ?			2M	CO4
Q5A.	A company has following investment proposal with estimated annual operating cost of proposal A and proposal B is Rs. 2,000 per annum and 3,000 per annum respectively for 3 successive years. Rank the proposal using payback period, ARR and IRR method of investment evaluation. $\frac{Project  Cash Outflow \qquad Cash inflows (₹)}{C0 \qquad C1 \qquad C2 \qquad C3}$ $A \qquad -20000 \qquad 9000 \qquad 11000 \qquad 13000$ $B \qquad -20000 \qquad 15000 \qquad 15000 \qquad 15000$					5 M	CO4	
Q5B.	Describe the following terms: (i) Market demand (ii) Oligopoly					2M	CO5	
Q5C.	"The price for a product can depend on demand and supply"-Explain with an example.					3M	CO5	

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