

III B.Tech.(CCC) Supplementary Examinations, June 2008
ECONOMICS ACCOUNTANCY AND MANAGEMENT
(Electronics & Communication Engineering)

Time: 3 hours

Max Marks: 100

Answer any FIVE Questions
All Questions carry equal marks

1. What is meant by elasticity of demand? Explain giving a suitable illustration, how elasticity of demand determines the price policy of a firm. [5+5+5+5]
2. What do you understand by working capital cycle and what is its importance? [10+10]
3. A company is considering two investment opportunities (A and B) that cost Rs.4,00,000 and Rs.3,00,000 respectively. The first project generates Rs. 1,00,000 a year for four years. The second generates Rs. 60,000, Rs.1,00,000, Rs.80,000 Rs. 90,000 and Rs.70,000 over a five year period . The company's cost of capital is 8%. Which project will you choose under NPV method? [20]
4. (a) The cost of goods sold of a Company is Rs.5,00,000 The cost price of inventory at the beginning of the year and at the end of the year were Rs.40,000 and Rs.60,000 respectively. Determine Inventory-Turnover ratio.
(b) With the given information determine Debtor-Turnover ratio: Total sales: Rs.1,00,000 among which cash sales were Rs.75,000 Sundry debtors: Rs.1,00,000 and Bills receivable:Rs.5,000.
(c) Determine Average Collection period:
Total sales:Rs.1,00,000 out of which credit sales were Rs.80,000 Debts receivable at the end of the year:Rs.15,000 Bills receivable:Rs.5,000. Assume the no. of working days as 360. [6+8+6]
5. Define Management. Explain the functions of management. [8+12]
6. What is job evaluation? What are its advantages? [8+12]
7. (a) Explain the meaning of 'crashing' in network techniques.
(b) What do you understand by the term direct cost and indirect cost in PERT costing techniques. [6+7+7]
8. "Cost slope is the key determinant for project crashing". Elucidate. [5+5+10]
