Roll No										

PRESIDENCY UNIVERSITY

GAIN MORE KNOWLEDGE REACH GREATER HEIGHTS

Presidency University Act, 2013 of the Karnataka Act No. 41 of 2013 | Established under Section 2(f) of UGC Act, 1956
Approved by AICTE, New Delhi | Approved By BCI
Bengaluru

Even Semester End Term Examination, May / June 2026		
Date: 21/05/2026		**Time: 09.30 AM - 12.30 PM**
Course Code: BBA1055	**Course Name: Managerial Economics and Financial Accounting**	
Semester: Fourth Semester	**Max. Marks: 100**	**Weightage: 50%**

CO - Levels	**CO1**	**CO2**	**CO3**	**CO4**
Marks	**36**	**36**	**72**	**36**

Part A: Answer Following Questions. 20 M

Qn.No	**Questions**	**M**	**CO**	**BT**
1	Define Microeconomics.	2	CO1	BT1
2	Give meaning of market equilibrium.	2	CO1	BT1
3	List any two charateristics of Isocost.	2	CO2	BT1
4	Comptue PV Ratio when Sales = ₹4,50,000 and Variable Cost = ₹3,00,000.	2	CO2	BT3
5	The process of recording a transaction is called posting. State the above statement is true or false. Justify your answer.	2	CO3	BT1
6	State one distinction between cash and credit transaction.	2	CO3	BT2
7	Compute value of assets, when liabitlites and capital are Rs. 40,000 and Rs. 80,000 respectively.	2	CO3	BT3
8	List two methods of preparing Trial Balance.	2	CO3	BT1
9	Define term fiancial position.	2	CO4	BT1
10	List any two solvency ratios.	2	CO4	BT1

Part B: Answer Any 1 Following Questions. 16 M

Qn.No	Questions	M	CO	BT
11.a	SmartWear Pvt. Ltd., a company selling fitness bands, decided to reduce the price of its product to boost sales. As a result, the price decreased from **₹1,000 to ₹800**, and the quantity demanded increased from **500 units to 700 units**. i. Compute the Price Elasticity of Demand using the percentage method. ii. Interpret whether demand is elastic, inelastic, or unitary.	6	CO1	BT3
11.b	Explain the any five scope of managerial economics with suitable example.	10	CO1	BT2
12.a	AgroFresh Ltd., a supplier of organic vegetables, increased the price of its product due to rising demand in the market. The price increased from **₹40 per kg to ₹50 per kg**, and as a result, the quantity supplied increased from **200 kg to 260 kg**. 1. Compute the Price Elasticity of Supply using the percentage method. 2. Interpret whether supply is elastic, inelastic, or unitary.	6	CO1	BT3
12.b	Describe the concept of Law of Demand with graph and schedule.	10	CO1	BT2

Part C: Answer Any 1 Following Questions. 16 M				
Qn.No	**Questions**	**M**	**CO**	**BT**
13.a	Explain the any three factors affecting production function.	6	CO2	BT2
13.b	A firm provides the following data relating to output and variable cost in below table where fixed cost is ₹100. Output (Q) : TVC (₹) 0 : 0 1 : 20 2 : 25 3 : 40 4 : 50 5 : 70 6 : 95 7 : 130 • (a) Compute Total and Average Cost for each level of output. • (b) Identify the level of output at which average cost is minimum and also justify.	10	CO2	BT3
14.a	Dsicus the concept of Revenue and its types.	6	CO2	BT2
14.b	A firm has the fixed the selling price as ₹10 per unit, variable cost as ₹6 per unit and fixed cost is ₹40,000. From the following information compute the following ratios:	10	CO2	BT3

Table in 13.b:

Output (Q)	TVC (₹)
0	0
1	20
2	25
3	40
4	50
5	70
6	95
7	130

	i. Break-even point (in units) ii. P/V ratio when sales are 12,000 units			

Part D: Answer Any 1 Following Questions. 16 M

Qn.No	Questions	M	CO	BT
15.a	Outline the need for accounting and briefly describe any three objectives of accounting.	6	CO3	BT1
15.b	Prepare Journal for the Ram & Sons for the following transactions: 2018 Rs. Feb. 1 Purchased goods for cash 18,000 “ 2 Purchased goods on credit from Mithun 37,000 “ 5 Sold goods to Mahesh 10,000 “ 8 Cash sales 8,000 “ 9 Cash sales to Jayant 7,000 “ 11 Returned goods to Mithun 4,000 “ 12 Mahesh returned goods 1,000	10	CO3	BT3
16.a	Accounting involves a series of activities. Explain them.	6	CO3	BT2
16.b	Journalise the following transactions : 2018 Rs. April 1 Tarun started business with Cash 8,00,000 “ 2 Bought plant and machinery 1,00,000 “ 3 Purchased typewriter 3,000 “ 4 Purchased goods 70,000 “ 10 Sales to Anil 20,000 “ 13 Purchased goods from Uday 40,000 “ 29 Paid salaries 20,000	10	CO3	BT3

Part E: Answer Any 1 Following Questions. 16 M

Qn.No	Questions	M	CO	BT

17.a	Mr. Agarwala started Agarwala Electricals shop with a capital of Rs. 1,00,000. As this amount is insufficient, he has borrowed Rs. 50,000 from Syndicate Bank. As he is not keeping good health, he appointed Mr. Ram Naresh to look after the business on a salary of Rs. 1,000 per month. Pavan Electrical Works supplies electrical goods to Agarwala Electricals on credit. Mr. Mirchand, Mr. Sabir and Mr. Wilson are the other personsworking in Agarwals Electricals, as salesmen. Mr. Agarwals wants to expandthe business. He is not in a position to invest more money. Mr. Shyamlal wants to join as a partner. From this, identify the names of the following parties and write them. i. Business firm ii. Owne iii. Manager iv. Lender v. Creditor vi. Prospective Investor	6	CO3	BT2
17.b	Rohan commenced business and below are some transactions. Prepare Ledger accounts: 2018 . Rs. Mar. 1 Purchased Plant and Machinery 1,00,000 “ 2 Sold goods to Sanjay 16,000 “ 3 Bought goods from Murari 26,000 “ 4 Sanjay paid cash 10,000 “ 18 Paid for Electricity charges 30,000	10	CO3	BT3
18.a	Mr. Rakesh started Rakesh Trading Company with a capital of Rs. 30,000. The company also borrowed Rs. 10,000 from the State Bank of India. The firm purchased a delivery van for Rs. 20,000, typewriter for Rs. 6,000, account books and other stationery for Rs. 500. It has purchased goods on credit from M/s Gurucharan Singh & Co., for Rs. 4,000, and from M/s Lalwani Traders for Rs. 3,000. It has sold goods for cash to Mr. Peter for Rs. 2,000 and Mr. Ali for Rs. 4,000. It has also paid Rs. 300 for electricity charges, and Rs. 500 for rent. From the above information, list out the assets, liabilities, incomes and expenses.	6	CO3	BT2
18.b	The following balances arefor the year ending 31st March 2025. Prepare the Trial Balance for the given balances.	10	CO3	BT3

Particulars	Rs.
Cash	8,500
Capital	20,000
Drawings	2,000
Purchases	15,000
Sales	25,000
Creditors	4,500
Debtors	6,000
Wages	3,200
Rent	1,800
Commission Received	1,200
Furniture	5,300
Machinery	8900

Part F: Answer Any 1 Following Questions. 16 M

Qn.No	Questions	M	CO	BT
19.a	The following figures have been extracted from the books of a firm. Calculate the Cost of Goods Sold. Rs. Stock as on 1.1.2018 1,00,000 Purchases for 2018 15,00,000 Purchases Returns 40,000 Carriage Inwards 20,000 Octroi 80,000 Freight 15,000 Stock as on 31.12.2018 1,70,000	6	CO4	BT3
19.b	From the following data pertaining to the transactions of Mehta Bros. for the year 2018. Prepare Trading and Profit and Loss Account for the year ending December 31, 2018. Sales 10,00,000	10	CO4	BT3

	Purchases 6,00,000 Sales Returns 20,000 Purchases Returns 10,000 Inventory (beginning) 40,000 Wages 50,000 Carriage Inwards 20,000 Carriage Outwards 15,000 Trade Expenses 10,000 Cartage and Freight 5,000 Salaries 30,000 General Expenses 10,000 Rent & Rates 5,000 Discount Received 1,000 Discount Allowed 2,000 Bad Debts 2,000 Depreciation 8,000 Interest on Investments 20,000 Loss of Goods by Fire 2,500 It was further given that the value of Inventory on December 31, 2018 was Rs. 80,000			
20.a	Calulate ratios from the following information: • Current Assets = ₹4,50,000; Inventory = ₹1,00,000; Current Liabilities = ₹2,00,000; • Net Sales = ₹1,00,000; Gross Profit = ₹50,000 (a) Current Ratio (b) Quick Ratio (c) Gross Profit Ratio	6	CO4	BT3
20.b	From the following balances of Hitesh, prepare a Balance Sheet as on March 31, 2018 Rs.	10	CO4	BT3

	Hitesh's Capital 41,000 Drawings 6,100 Wife's Loan 4,000 Sundry Creditors 45,000 Cash in Hand 250 Cash at Bank 4,000 Sundry Debtors 40,500 Patents 2,000 Plant and Machinery 20,000 Land and Building 26,000 Stock in Hand 36,500 Net Profit for the year was Rs. 45,350				

PTO (Please Turn Over)