PART A (compulsory).

Q 1. please state whether the following statements are true or false : 8 marks

1. Every firm utilizes various combination of all factors of production .
2. In the long run all factors are variable .
3. Market price changes with the nature of the commodity .
4. Gross income means depreciation of capital is included .
5. NNP at market price = NNP at factor cost + indirect taxes – subsidy .
6. Cost accountancy aims at reducing cost of production and increase profit .
7. Operating expenses ratio compares expenses to revenue .

Q 2. Expand the abbreviations : 8 marks .

1. GNP
2. LRAC
3. SEBI
4. GATT
5. HDI
6. RPI
7. NPA
8. AICPA
Q 3. Fill in the blanks : 8 marks.
1. ................. are public hospital, Schools, Police and Army
2. ................. studies the behavior of the aggregate economy.
3. An ................. shows all combinations of two inputs to produce given level of output.
4. Self – employed people are in the ................. sector.
5. Convention of ................. requires that accounting statements should be honestly prepared.
6. Capital Adequacy Ratio of banks is the requirement of ............. Agreement.
7. Non – performing Assets is more among ................. banks.
8. ................. shows the sources and uses of fund

Q 4. Match the following : 8 marks.

<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. NNP</td>
<td>a. MNREGA</td>
</tr>
<tr>
<td>2. SAIL</td>
<td>b. Sino-Indian war</td>
</tr>
<tr>
<td>3. Rural poverty</td>
<td>c. Public sector</td>
</tr>
<tr>
<td>4. III Five year plan</td>
<td>d. Insurance sector</td>
</tr>
<tr>
<td>5. IRDA</td>
<td>e. Plant and Machinery</td>
</tr>
<tr>
<td>7. Non – current asset</td>
<td>g. Current asset</td>
</tr>
<tr>
<td>8. Debenture</td>
<td>h. Non – current liability</td>
</tr>
</tbody>
</table>

PART B
(Answer any three) 3x16 = 48 marks

Q 5. Write short notes on any four.
1. Methods of measuring national income.
2. Foreign Portfolio Investment.
3. Exceptions to law of demand.
5. Sources of funds.

Q 6. What are the objectives of accounting?
Q 7. Role of MNC’s in the economic development of developing and underdeveloped countries?
Q 8. What are the challenges before the Indian economy and how to solve them?
Q 9. Explain the various types of infrastructures in India.
Q.10. (COMPULSORY) 20 marks

Prepare a statement of changes in working capital from the following balance sheet of X Ltd.

Balance sheet as on 31-12-2009 and 31-12-2010

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>2009 (Rs)</th>
<th>2010 (Rs)</th>
<th>Assets</th>
<th>2009 (Rs)</th>
<th>2010 (Rs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity share capital</td>
<td>300000</td>
<td>300000</td>
<td>Fixed assets</td>
<td>330000</td>
<td>340000</td>
</tr>
<tr>
<td>Debentures</td>
<td>140000</td>
<td>140000</td>
<td>Long terms investment</td>
<td>100000</td>
<td>95000</td>
</tr>
<tr>
<td>Tax payables</td>
<td>52000</td>
<td>48000</td>
<td>Bills receivables</td>
<td>65000</td>
<td>76000</td>
</tr>
<tr>
<td>Interest payables</td>
<td>28000</td>
<td>33000</td>
<td>Stock</td>
<td>49000</td>
<td>49000</td>
</tr>
<tr>
<td>Sundry creditors</td>
<td>41000</td>
<td>48000</td>
<td>Debtors</td>
<td>32000</td>
<td>23000</td>
</tr>
<tr>
<td>Dividend payables</td>
<td>35000</td>
<td>32000</td>
<td>Cash</td>
<td>20000</td>
<td>18000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>596000</strong></td>
<td><strong>601000</strong></td>
<td></td>
<td><strong>596000</strong></td>
<td><strong>601000</strong></td>
</tr>
</tbody>
</table>

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