

INDUSTRIAL ECONOMICS AND  
ACCOUNTING

Time : 3 hours      akubihar.com      Full Marks : 70

Instructions :

- (i) All questions carry equal marks.
- (ii) There are **NINE** questions in this paper.
- (iii) Attempt **FIVE** questions in all.
- (iv) Question No. 1 is compulsory.

1. Choose the correct answer of the following (any seven) :

- (a) Which method of capital budgeting is called benefit-cost ratio?
  - (i) Payback period method
  - (ii) Net present value method

- (iii) Payout period method
- (iv) Profitability index method

(b) Which are the determinants of capital structure?

- (i) Government policy
- (ii) Control
- (iii) Tax
- (iv) Requirement of investors

(c) The significance of capital budgeting arises mainly due to the

- (i) complications of investment decisions
- (ii) irreversible in nature
- (iii) large investment
- (iv) All of the above

(d) Which is the traditional method of capital budgeting?

(i) Accounting method

(ii) Payout method

(iii) Payback method

(iv) All of the above

(e) Profit maximization is

(i) indicator of economic efficiency

(ii) primary objective of business

(iii) measurement of success of business decisions

(iv) All of the above akubihar.com

(f) Which one of the following is not the objective of fiscal policy of Government of India?

(i) Full employment

(ii) Price stability

(iii) Regulation of inter-State trade

(iv) Economic growth

(g) Balance of payments on capital account includes

(i) balances of private direct investments

(ii) private portfolio investments

(iii) government loans to foreign governments

(iv) All of the above

(h) \_\_\_\_\_ unemployment may result when some workers are temporarily out of work while changing job.

(i) Seasonal

(ii) Frictional

(iii) Disguised

(iv) Technical

(i) Which among the following is not an assumption of Pareto optimality?

- (i) Every consumer wishes to maximize his level of satisfaction
- (ii) All the factors of production are used in the production of every commodity
- (iii) Conditions of perfect competition exist making all the factors of production perfectly mobile
- (iv) The concept of utility is cardinal and cardinal utility function of every consumer is given

akubihar.com

(j) "Money is a matter of functions four, a medium, a measure, a standard and \_\_\_\_." What is the fourth function of money indicated in this popular phrase?

- (i) stock
- (ii) flow
- (iii) store
- (iv) payment

2. Define economics. State the nature of economic problem.

3. State the law of demand. Also explain the elasticity of demand.

4. Explain the characteristics law of variable proportion related to land and labor.

5. Define cost function along with short- and long-run cost.

6. Explain the law of supply. Also justify the role of supply in price in prime determination imperfect competition. akubihar.com

7. Explain the characteristics of various types of market.

8. Explain the salient features of various methods for making economic studies.
9. Illustrate the meaning, scope and role of accounting.