



**MALLA REDDY ENGINEERING COLLEGE (AUTONOMOUS)**  
**B.Tech III Year II Semester (MR 20)**  
**Regular Examinations**

**MID-II EXAMINATION SUBJECTIVE QUESTION BANK**

**Name of the Faculty: P.Swapna /B. Dharani**

**Branch: CSE, IT& CSE Emerging**

**Answer all the Questions**

S NO.	Question	Marks	BT Level	CO
<b>Module-3</b>				
1	Outline the five stages of the product life cycle with appropriate examples.	5	L2	3
2	Summarize the various methods of pricing.	5	L2	3
3	Discuss the pricing policy and pricing objectives	5	L6	3
4	Illustrate the Marginal Cost Pricing and Sealed bid pricing.	5	L2	3

S NO.	Questions	Marks	BT Level	CO																		
Module-4																						
1	Classify the methods of sources of finance.	5	L2	4																		
2	Analyze the factors affecting the requirements of working capital.	5	L4	4																		
3	Briefly explain the Concept of capital and its types.	5	L4	4																		
4	<p>a)The cost of a project is Rs 50,000 the annual cash inflows for the next 4years are Rs 25000 what is the payback period for the project</p> <p>b) Calculate the payback period from the following particulars using.</p> <p>Life of project 5years , cost of capital 10% , cost of project 50,000</p> <table><tr><td>year</td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr><tr><td>Cash flow</td><td>50,000</td><td>20,000</td><td>30,000</td><td>30,000</td><td>10,000</td></tr></table>	year	1	2	3	4	5	Cash flow	50,000	20,000	30,000	30,000	10,000	5	L4	4						
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Cash flow	50,000	20,000	30,000	30,000	10,000																	
5	<p>A company is considering whether to purchase a new machine. Machines A and B are available for 80,000 each. Earnings after taxation are as follows:</p> <table><tr><th>Year</th><th>Machine A</th><th>Machine B</th></tr><tr><td>1</td><td>24,000</td><td>8,000</td></tr><tr><td>2</td><td>32,000</td><td>24,000</td></tr><tr><td>3</td><td>40,000</td><td>32,000</td></tr><tr><td>4</td><td>24,000</td><td>48,000</td></tr><tr><td>5</td><td>16,000</td><td>32,000</td></tr></table> <p><b>Required:</b> Evaluate the two alternatives using the following: (a) payback method (b) Net present value method. You should use a discounting rat</p>	Year	Machine A	Machine B	1	24,000	8,000	2	32,000	24,000	3	40,000	32,000	4	24,000	48,000	5	16,000	32,000	5	L4	4
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6	List the features and importance of capital budgeting.	5	L4	4																		

7	Distinguish between NPV and payback period method.	5	L4	4
8	Elaborate on the need and significance of capital budgeting.	5	L6	4

S NO .	Questions	Marks	BT Level	CO																																																																																												
	<b>Module-5</b>																																																																																															
1	Explain the Accounting principles.	5	L2	5																																																																																												
2	Describe the classification of Accounting	5	L2	5																																																																																												
3	Draw the formats of trading profit & loss Account and Balance sheet	5	L4	5																																																																																												
4	Prepare Trading and Profit and Loss account and balance sheet on Mr, Bharat Traders from the following balances as on March 31, 2014. Closing stock Rs.40,000	5	L4	5																																																																																												
	<table><tr><th>Debit Balance</th><th>Amount</th><th>Credit Balance</th><th>Amount</th></tr><tr><td>Drawings</td><td>4,000</td><td>Discount Received</td><td>500</td></tr><tr><td>Discount allowed</td><td>1,500</td><td>Barath's capital</td><td>2,00,000</td></tr><tr><td>Office expenses</td><td>2000</td><td>Sales</td><td>4,07,200</td></tr><tr><td>Manufacturing exp</td><td>1,200</td><td>Creditors</td><td>25,000</td></tr><tr><td>Bills payable</td><td>17,000</td><td>Returns outwards</td><td>4,000</td></tr><tr><td>Bills receivable</td><td>10,000</td><td></td><td></td></tr><tr><td>Cash in hand</td><td>4,800</td><td></td><td></td></tr><tr><td>Cash at bank</td><td>30,800</td><td></td><td></td></tr><tr><td>Office rent</td><td>3,600</td><td></td><td></td></tr><tr><td>Stock (1.4.2014)</td><td>32,000</td><td></td><td></td></tr><tr><td>Wages</td><td>1,00,000</td><td></td><td></td></tr><tr><td>Machinery</td><td>60,000</td><td></td><td></td></tr><tr><td>Carriage inwards</td><td>1,000</td><td></td><td></td></tr><tr><td>Salaries</td><td>10,000</td><td></td><td></td></tr><tr><td>Factory rent</td><td>4,800</td><td></td><td></td></tr><tr><td>Repairs</td><td>800</td><td></td><td></td></tr><tr><td>Fuel and power</td><td>5,000</td><td></td><td></td></tr><tr><td>Furniture</td><td>11,000</td><td></td><td></td></tr><tr><td>Buildings</td><td>80,000</td><td></td><td></td></tr><tr><td>Sundry debtors</td><td>40,000</td><td></td><td></td></tr><tr><td>Purchases</td><td>2,44,000</td><td></td><td></td></tr><tr><td>Return inwards</td><td>7,200</td><td></td><td></td></tr></table>	Debit Balance	Amount	Credit Balance	Amount	Drawings	4,000	Discount Received	500	Discount allowed	1,500	Barath's capital	2,00,000	Office expenses	2000	Sales	4,07,200	Manufacturing exp	1,200	Creditors	25,000	Bills payable	17,000	Returns outwards	4,000	Bills receivable	10,000			Cash in hand	4,800			Cash at bank	30,800			Office rent	3,600			Stock (1.4.2014)	32,000			Wages	1,00,000			Machinery	60,000			Carriage inwards	1,000			Salaries	10,000			Factory rent	4,800			Repairs	800			Fuel and power	5,000			Furniture	11,000			Buildings	80,000			Sundry debtors	40,000			Purchases	2,44,000			Return inwards	7,200					
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5	Journalize the following transactions in the books of Madhu 2014 January. 1. commenced business with cash Rs. 45000/- 2. Purchased of furniture and payment by cheque 5000/- 3. Purchased goods from “B” for Rs. 2000/- 4. Returned goods to B for Rs.200/- 5. Received Interest from the bank Rs.1700/- 6. Sold goods for cash Rs.7000/-	5	L4	5																																																																																												

<b>6</b>	Illustrate liquidity ratios with examples	5	L	5
<b>7</b>	Outline the different types of ratios.	5	L2	5
<b>8</b>	Elaborate the Capital structure Ratios a)Debt- Equity ratio, b) Interest Coverage ratio	5	L6	5

**Prepared By Name: P. Swapna/ B. Dharani**  
**Signature:**

**HOD Signature**

