



National Institute of Technology, Tiruchirapalli-620015
Department of Computer Science & Engineering
HSIR13-INDUSTRIAL ECONOMICS AND FOREIGN TRADE

Exam Date:14-3-2023 (Time:9am-10am) Total -25 marks

PART-A (4x2=8 marks)

1. Define Demand Forecasting and mention various methods of demand forecasting.
2. Explain the law of demand and its exceptions.
3. Differentiate between GDP and GNP.
4. Distinguish between explicit cost and implicit cost.

PART-B (4x3=12 marks)

5. Discuss the Long run cost curves with suitable diagram.
6. Illustrate price and output determination under Monopoly.
7. Compare and contrast Economic Profit with Accounting Profit in detail.
8. Define Break-Even Point (BEP) and also various methods used to calculate BEP.

PART-C (5x1=5 marks)

9. Mr. Sundararaman started business on 1st January 1998 introducing the following as initial capital:

	Rs.
* Bank Balance	5,600
* Land	14,000
* Buildings	7,840
* Furniture and Fittings	560
* Motor Car	1,680

In addition to the above, the following balances have been extracted from his books:

	Rs.		Rs.
* Motor Expenses	4,480	* Sundry Debtors	5,522
* Sales	2,71,600	* Purchases	2,48,192
* Salaries	5,813	* Discount Received	4,491
* Rates	773	* Addition to Buildings	4,704
* Repairs to Buildings	661	(as on 1.1.98)	
* Electricity Charges	1,030	* Rent Received	1,254
* Insurance	470	* Telephone	571
* Advance	162		

		Telephone amt.	56
		Electrical charges	224
* Cash in hand	179	Balance at Bank	11,200
✓ Additions to Motor	2,912	Sundry Creditors	14,000
* Car (as on 1.4.98)		Sundry Expenses	2,704
* Drawings	7,840	Advance Income Tax	560
Provision for doubtful debts (Cr.	666	opening stock	37,800
Balance on 1.1.98)		Income tax	3,640
		Legal charges	280

You are required to prepare the trading and Profit and Loss Account and the balance Sheet as at 31st December 1998, after considering the following information:

- Stock as on 31st December 1998 Rs. 37,800.
- Depreciate Building @ 5% p.a., Furniture @ 6% p.a., Motor Car @ 20% p.a.
- Income tax payable Rs. 3,640; Legal charges payable Rs.280; Electricity charges due Rs.224; Telephone amount due Rs.56.
- Amount paid in advance for insurance Rs. 168; Rates Rs. 112; motor Expenses Rs. 336.
- Write off income tax amount and further bad debts Rs.622.
- Create provision for doubtful debts @ 5%.
- Discount of 2% on debtors and creditors are to be created.