

PART B — (5 × 16 = 80 marks)

11. (a) What is elasticity of demand? Discuss in detail the different kinds of elasticity of demand.

Or

- (b) Explain the following : (4 × 4 = 16)
- (i) Law of supply
 - (ii) Break even point
 - (iii) Opportunity cost
 - (iv) Skimming pricing method.

12. (a) What is perfect competition? Discuss in detail the features of perfect competition.

Or

- (b) What is Merger? Explain the different types of mergers with their merit and demerits.

13. (a) Define Inflation. What are the causes for inflation? Suggest measures to control inflation.

Or

- (b) Explain the concepts of National Income and discuss the methods of measuring National Income.

14. (a) What is capital budgeting? Explain various methods of appraising project profitability with their merits, demerits and suitability.

Or

- (b) Explain the sources of finance available both long term and short term for a New Public Limited Company.

15. (a) (i) What is an account? Explain the different kinds of accounts.
(ii) Give a specimen form of profit and loss account.

Or

- (b) The following Trial Balance has been extracted from the books of Mr. Bhaskar on 31.3.2008.

Trial Balance		
Particulars	Debit	Credit
	Rs	Rs.
Machinery	40,000	
Cash at bank	10,000	
Cash in hand	5,000	
Wages	10,000	
Purchases	80,000	
Stock 1.4.2007	60,000	
Sundry debtors	40,000	
Bills receivable	29,000	
Rent	4,000	
Interest on bank loan	500	
Commission received		3,000
General expenses	12,000	
Salaries	7,500	
Discount received		4,000
Capital		90,000
Sales		1,20,000
Bank loan		40,000
Sundry creditors		40,000
Purchase returns		5,000
Sales returns	4,000	
	<u>3,02,000</u>	<u>3,02,000</u>

Adjustments :

- (i) Closing stock Rs. 80,000
- (ii) Interest on bank loan not yet paid Rs. 400
- (iii) Commission received in advance Rs. 1,000.

Prepare Trading and Profit and Loss Account for the year ended 31.3.2008 and Balance Sheet as on that date after giving effect to the above adjustments.
