

Code: 9AHS401

B.Tech III Year I Semester (R09) Supplementary Examinations June 2016

**MANAGERIAL ECONOMICS & FINANCIAL ANALYSIS**

(Common to CE, BT, ME, EEE, ECC &amp; MCT)

Time: 3 hours

Max. Marks: 70

Answer any FIVE questions  
All questions carry equal marks

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- 1 (a) Define the law of demand. What are its exceptions?  
(b) What is demand function? How do you determine it?
- 2 Write short notes on:
  - (a) Expert opinion method.
  - (b) Test marketing.
  - (c) Controlled experiments.
- 3 Explain different cost concepts underlying business decision making.
- 4 What is price discrimination? What are the essential conditions for price discrimination?
- 5 Distinguish between a partnership & a joint stock company.
- 6 The cost of a project is Rs.50,000 and has an expected life of 5 years. The cash inflows for the five years are Rs.24,000, Rs.26,000, Rs.20,000, Rs.17,000, and Rs.16,000 respectively.
  - (a) Determine the payback period
  - (b) What is the Accounting Rate of Return?
- 7 (a) How are Accounts finalized at the end of an Accounting period with the help of a Trial balance? Illustrate.  
(b) Define financial statement. Explain its objectives and importance.
- 8 From the following information find out: (a) Gross profit. (b) Operating profit Ratio. (c) Net profit Ratio.

	Rs.	Rs.
Sales		50,00,000
Less : Cost of goods sold :		
Raw material consumed	20,00,000	
Wages	12,00,000	
Other production expenses	<u>6,00,000</u>	
		<u>38,00,000</u>
Gross Profit		12,00,000
Less : Administration expenses :		
Selling expenses	50,000	
Distribution expenses	1,00,000	
Office expenses	1,50,000	
Loss on sale of fixed assets	18,000	
Loss on sale of investments	10,000	
Interests (on long-term debts)	1,30,000	
Provision for taxation (inclusive of advance tax paid)	2,60,000	
		<u>7,18,000</u>
Net Profit		4,82,000