Code: 9AHS401

R09

B.Tech IV Year I Semester (R09) Supplementary Examinations June 2016
MANAGERIAL ECONOMICS & FINANCIAL ANALYSIS
(Common to CSE, IT & CSS)

Time: 3 hours   Max. Marks: 70

Answer any FIVE questions
All questions carry equal marks
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1   Managerial economics is a multi dimensional discipline? Explain.

2   What are the factors affecting elasticity of demand? What is the significance of elasticity of demand?

3   What do you understand by Isoquants and Isocosts? How are these useful to find out least cost combination of inputs? Illustrate.

4   What is price discrimination? What are the essential conditions for price discrimination?

5   Evaluate the partnership form of business organization. How does it overcome the limitations of Sole Trading?

6   Considering the case of the company with the following two investment project proposals, each costing Rs.18 Lakhs. The details of the cash inflows are as follows:

Year	1	2	3
Machine '1'	6,00,000	10,00,000	12,00,000
Machine '2'	12,00,000	8,00,000	6,00,000

The cost of capital is 10% per year. Which will you choose under NPV method?

7   Journalize the following transactions:

2007		Rs.
Jan,1	Goral started his business with the capital	10,00
Jan,5	Furniture Rs. 3,000 and stock	2,00
Jan,8	Deposited in Andhra Bank	8,00
Jan,13	Goods purchased from Hari	7,00
Jan,16	Goods sold to Srinivas on cash	6,50
Jan,20	Goods returned to Hari	400
Jan,24	Commission Received	800
Jan,28	Salaries paid	5,00
Jan,30	Rent paid	2,00
Jan,31	Sales returns	300

8   Who are the users of financial statements of a business unit and explain how differently they interpret the financial data?

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