

II B.Tech I Semester(RR) Supplementary Examinations, May/June 2010

MANAGERIAL ECONOMICS AND FINANCIAL ANALYSIS

(Common to Electronics & Computer Engineering and Electronics & Control Engineering)

Time: 3 hours

Max Marks: 80

Answer any FIVE Questions
All Questions carry equal marks

1. Explain briefly the following methods of forecasting demand.
 - (a) Barometric method
 - (b) Expert opinion method
 - (c) Time series analysis
 - (d) End user method

[4×4]
2. Explain and illustrate the following: and also mention why do they arise
 - (a) The Law of constant Returns.
 - (b) The Law of increasing Returns.

[8+8]
3. (a) Explain the concept of "Break-Even Analysis" and point out its assumptions.
 (b) How do you determine BEP? Illustrate with assumed data.

[8+8]
4. Define Markets? Elaborate how differently are markets classified?

[4+12]
5. Discuss the factors that help in choosing a suitable form of Business Organization in private, and public sector.

[16]
6. Define 'Accounting rate of return' 'and Pay back period method'? Compare and contrast the two. Illustrate with assumed data.

[16]
7. (a) What is Trial Balance? Why it is prepared?
 (b) From the following list of balances prepare a Trial Balance as on 30-6-2003

| | Rs. | | Rs. |
|------------------------|--------|-----------------------|-------|
| i. Opening Stock | 1,800 | xiii. Plant | 750 |
| ii. Wages | 1,000 | xiv. Machinery tools | 180 |
| iii. sales | 12,000 | xv. Lighting | 230 |
| iv. bank loan | 440 | xvi. Creditors | 800 |
| v. coal and coke | 300 | xvii. Capital | 4,000 |
| vi. purchases | 7,500 | xviii. Misc. receipts | 60 |
| viii. carriage | 150 | xx. Office furniture | 60 |
| ix. income tax | 150 | xxi. Patents | 100 |
| x. debtors | 2,000 | xxii. Goodwill | 1,500 |
| xi. leasehold premises | 600 | xxiii. Cash at bank | 510 |
| xii. Cash in hand | 20 | | |

[16]
8. Write a brief note on the importance of ratio analysis to different category of users.

[16]
