

Code :R7310101

**R7**

**III B.Tech I Semester(R07) Supplementary Examinations, May 2011**  
**MEFA**

**(Common to Civil Engineering, Mechanical Engineering, Electronics & Communication Engineering, Electronics & Computer Engineering, Biotechnology)**

Time: 3 hours

Max Marks: 80

**Answer any FIVE questions**  
**All questions carry equal marks**

\*\*\*\*\*

1. Explain the nature and scope of managerial Economics.
2. Write short notes on:
  - (a) Price Elasticity of Demand
  - (b) Income Elasticity of Demand
  - (c) Cross Elasticity of Demand
  - (d) Advertisement Elasticity of Demand
3. What is the difference between firm and Industry? Explain the equilibrium of firm and industry under Perfect competition?
4. What are the different forms of Markets based on Competition?
5. What are the factors affecting the choice of form of business organization?
6. Explain different methods of capital budgeting decisions with the help of formula.
7. What are the concepts and conventions of Accounts?
8. From the following data prepare the balance sheet of X Ltd., as on 31<sup>st</sup> December, 1999.  
 Current ratio 2.5; Quick ratio 1.5; Net working capital Rs.3,00,000  
 Gross profit ratio 20% Fixed Assets turnover ratio 2 times  
 Stock turnover ratio (Cost of sales/ Closing stock) 6 times.  
 Average Collection period 2 months  
 Super quick ratio .25  
 Fixed Assets to shareholders equity .8  
 Reserves and surpluses to share capital .5  
 Debt equity ratio .2

\*\*\*\*\*