

Code :RR310101

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III B.Tech I Semester(RR) Supplementary Examinations, May 2011
MANAGERIAL ECONOMICS & FINANCIAL ANALYSIS
 (Civil Engineering, Mechanical Engineering, Biotechnology)

Time: 3 hours

Max Marks: 80

Answer any FIVE questions
All questions carry equal marks

- How is knowledge of elasticity of demand helpful for managerial decisions? Explain different types of price Elasticity of demand.
- Explain and illustrate the Law of Variable proportions.
- If actual sales are 10,000 units and selling price is Rs.20 per unit, variable cost Rs.10 per unit and fixed cost is Rs.80,000 find out BEP in units and in sales revenue. What is profit earned? What should be the sales required for earning a profit of Rs.60,000?
- Distinguish between Market Price and Normal Price. Discuss the significance of time element in the determination of Price under Perfect Competition.
- Write a short notes on
 - Departmental undertaking
 - Government company
 - Public corporation.
- Given that a project yields the following cash inflows for six years at an original cost of Rs.50,000,

Year	Cash inflows after taxes Rs.
1	10,000
2	16,000
3	24,000
4	30,000
5	3,00,000
6	30,000

- State the nature of account nominal, real and personal and show which account will be debited and which account will be credited.
 - Rent received
 - Machinery purchased.
 - Discount received
 - interest Paid
 - Rent Paid
 - Commission received
 - Capital introduced
 - Buildings sold
 - Goods purchased
 - Goods sold.
- What are the ratios which assess the company's borrowing capacity? How do you calculate them? Illustrate. With assumed data.
