Code: R7310101

R07

B.Tech III Year I Semester (R07) Supplementary Examinations December 2015

MANAGERIAL ECONOMICS & FINANCIAL ANALYSIS

(Common to CE, ME, ECE, ECC & BT)

(For 2008 regular admitted batch only)

Time: 3 hours   Max. Marks: 80

Answer any FIVE questions

All questions carry equal marks

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1   What is law of demand? What are its exceptions? Give examples.

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 are the different types of competition? Explain the features of perfect competition.

5   Define joint stock companies. Explain its features, advantages and limitations.

6   (a) Define capital budgeting? Explain its importance.
    (b) Write the use of payback period method. Explain its features and limitations.

7   Journalize the following transactions and prepare Ledger accounts in the books of Mr. A.V. Narayana.

2006, June, 1	Commenced business with cash worth Rs.80,000
5	Discount allowed worth Rs.5,000
8	Cash received from Swamy worth Rs.25,000
12	Rama Rao purchased goods worth Rs.6,000
15	Audit Fees worth Rs.2,000
18	Received interest from Narayana worth Rs.18,000
24	Bought goods from Prasad & Co. worth Rs.12,000
30	Printing & Stationary expenses worth Rs.4,000

8   (a) From the following information, calculate: (i) Debt equity ratio. (ii) Current ratio.

Liabilities	Rs.	Assets	Rs.
Debentures	1,40,000	Bank balance	30,000
Long term loans	70,000	Sundry debtors	70,000
General reserve	40,000		
Creditors	66,000		
Bills payable	14,000		
Share capital	2,00,000		

    (b) Calculate Interest coverage ratio from the following information:

	Rs.
Net profit after deducting interest and taxes	6,00,000
12% debentures of the face value of	15,00,000
Amount provided towards taxation	1,20,000