

B.Tech III Year I Semester (R13) Supplementary Examinations June 2016

MANAGERIAL ECONOMICS & FINANCIAL ANALYSIS

(Common to CSE & EEE)

Time: 3 hours

Max. Marks: 70

PART - A
(Compulsory Question)

- 1 Answer the following: (10 X 02 = 20 Marks)
- (a) What is cross elasticity of demand?
 - (b) Define demand forecasting.
 - (c) Write the properties of isoquants.
 - (d) What is production function?
 - (e) List the features of perfect competition.
 - (f) Write the features of sole trade form of organization.
 - (g) What is over capitalization?
 - (h) What is the need for capital budgeting?
 - (i) Explain double entry booking.
 - (j) Define journal.

PART - B
(Answer all five units, 5 X 10 = 50 Marks)**UNIT - I**

- 2 Define the law of demand, its determinants and a brief about why the demand curve slopes downwards.
- OR**
- 3 What is managerial economics? Briefly explain the role of managerial economist in business decision making.

UNIT - II

- 4 Explain the concept of "Break-Even analysis" with suitable diagram also point out its importance and assumptions.
- OR**
- 5 Define production function. Explain the Cobb-Douglas production function.

UNIT - III

- 6 Define market. Elaborate how differently markets are classified.
- OR**
- 7 What is globalization? Briefly explain impact of globalization on Indian economy.

UNIT - IV

- 8 What is the importance of capital? What factors determine the working capital requirements of a company?
- OR**
- 9 Explain the following methods of capital budgeting with the advantages and disadvantages of each in detail: (i) Pay-back method. (ii) Accounting rate of return method (ARR).

UNIT - V

- 10 Briefly explain the following:
(a) Debt-equity ratio. (b) Current ratio. (c) Quick ratio. (d) P/E ratio.
- OR**
- 11 Journalize the following transactions:
(a) Started business with a capital of Rs.2,00,000/- (b) He paid in to the bank Rs.15,000/-
(c) He purchased goods for cash Rs.50,000/-
(d) He withdraw cash from bank for office use Rs.8,000/-
(e) He sold goods for cash Rs.6,000/- to Y
(f) He purchased furniture for cash Rs.2000/- from Saritha & co.
(g) He purchased goods from M on credit for Rs.4000/-
(h) He paid wages Rs.3000/- for installation of a new plant purchased for Rs.10,000/-
(i) He used goods valued at Rs.200/- of the business for his domestic purpose.
(j) He sold goods to K for Rs.2000/-
