

Code: 9AHS401

B.Tech IV Year I Semester (R09) Supplementary Examinations June 2017

MANAGERIAL ECONOMICS & FINANCIAL ANALYSIS

(Common to CSE, IT & CSS)

Time: 3 hours

Max. Marks: 70

Answer any FIVE questions
All questions carry equal marks

- 1 Define managerial economics and briefly discuss about nature and scope of managerial economics.
- 2 What do you mean by forecasting of demand and what are the various techniques used in forecasting demand?
- 3 What is economies of scale? Briefly discuss about internal and external economies of scale.
- 4 What is perfect competition? How can we determine price in perfect competition?
- 5 What is business organization? Discuss about various types of business organization.
- 6 A firm has cost of capital as 10%. Considering two mutually exclusive projects X and Y, the details of which are:

Cost	Year	Project X	Project Y
Cash outflow	0	70,000	70,000
Cash inflow	1	10,000	50,000
	2	20,000	40,000
	3	30,000	20,000
	4	45,000	10,000
	5	60,000	10,000

Compute payback period and NPV at 10% of the two projects.

- 7 Define financial accounting. Write functions of financial accounting.
- 8 What do you mean by financial statement analysis? Write detailed note on various ratios used in financial statement analysis.
