

**B.Tech IV Year I Semester (R13) Supplementary Examinations June 2017**  
**MANAGERIAL ECONOMICS & FINANCIAL ANALYSIS**  
(Civil Engineering)

Time: 3 hours

Max. Marks: 70

**PART – A**  
(Compulsory Question)

\*\*\*\*\*

- 1 Answer the following: (10 X 02 = 20 Marks)
- What is macro economics?
  - Define law of demand.
  - Distinguish between estimation and forecasting.
  - What is opportunity cost?
  - What is monopoly market?
  - What is partnership deed?
  - What is capital budgeting.
  - Write short note on going concern concept.
  - Calculate working capital.  
Stock - Rs.50,000  
Cash - Rs.10,000  
Debtors - Rs.15,000  
Creditors - Rs.30,000  
Bank Overdraft - Rs.5,000.(C06)
  - Compute gross profit.  
Opening stock - Rs.60,000  
Purchases - Rs.30,000  
Wages - Rs.5,000  
Sales - Rs. 2,00,000  
Closing Stock - Rs.40,000.

**PART – B**

(Answer all five units, 5 X 10 = 50 Marks)

**UNIT – I**

- Explain demand forecasting methods.
- Narrate demand determinants for FMCG products.

**OR**

**UNIT – II**

- Quote the law of variable proportion (LVP) with help of graph.
- Calculate a P/V ratio and BEP.

**OR**

Year	Sales	Profit
2013	Rs. 2,50,000	Rs. 40,000
2014	Rs. 3,00,000	Rs. 45,000

**UNIT – III**

- Explain the different types and significance of financial ratios.
- What are the features of Sole Trader? Explain merits and demerits.

**OR**

Contd. in page 2

**UNIT – IV**

- 8 A project involves initial outlay of Rs. 2.60,000 its expected life is 5 years. The cash inflows are likely to be as follows.

Years	Cash inflows (Rs.)
1	100000
2	80000
3	70000
4	50000
5	40000

You are required to compute Pay-back period.

**OR**

- 9 Determine NPV and Profitability Index.

Description	Cash inflows	PV factor@10%
Initial cash outflow	3,00,000	1.00
1 <sup>st</sup>	90000	0.909
2 <sup>nd</sup>	100000	0.826
3 <sup>rd</sup>	125000	0.751
4 <sup>th</sup>	75000	0.683
5 <sup>th</sup>	110000	0.621
5 <sup>th</sup> scrap value	25000	0.621

**UNIT – V**

- 10 From the following information prepare Trading and Profit and Loss account for the year ended 31<sup>st</sup> Dec. 2007 and Balance sheet as on that date.

Capital	30,000	duty and clearing charges	3,500
Drawings	6,000	Sales	1,28,000
sundry creditors	43,000	Salaries	9,500
Bills payable	4,000	Returns from customers	1,000
Sundry debtors	51,000	Returns to creditors	1,100
Bills receivable	5,000	Commission & travelling exp.	4,700
Loans and advances	12,000	General exp.	2,500
Fixtures and fittings	8,500	Rent paid	2,000
Opening stock	47,000	Commission received	4,000
Cash in hand	900	O.D with bank	6,000
Cash at bank	12,500	Purchases	50,000

Adjustments: (i) Closing stock Rs. 50,000. (ii) Outstanding salaries Rs. 500.

**OR**

- 11 Explain briefly solvency and profitability ratios.

\*\*\*\*\*