

B.Tech II Year I Semester (R15) Supplementary Examinations June 2017

**MANAGERIAL ECONOMICS & FINANCIAL ANALYSIS**

(Common to CSE, ME & IT)

Time: 3 hours

Max. Marks: 70

**PART - A**

(Compulsory Question)

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- 1 Answer the following: (10 X 02 = 20 Marks)
- Write the nature of managerial economics?
  - Define elasticity of demand.
  - Explain isocosts.
  - Give the limitations of BEP.
  - When do you call the competition as imperfect competition?
  - List out advantages of privatization.
  - Give the significance of ratio analysis.
  - What are the advantages of financial accounting?
  - What is source of capital?
  - Give the features of capital budgeting.

**PART - B**

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

**UNIT - I**

- 2 Discuss the significance and characteristics of managerial economics.

OR

- 3 What is the purpose of forecasting? Discuss the factors involved in demand forecasting.

**UNIT - II**

- 4 Define production function. Explain the nature and managerial uses of production function.

OR

- 5 Explain the features, significance, benefits of break even analysis and its limitations.

**UNIT - III**

- 6 Discuss the meaning and main features of monopolistic market situation. Draw a diagram to show equilibrium of the firm with excess capacity.

OR

- 7 Discuss various techniques of price formulation in actual business situation.

**UNIT - IV**

- 8 Define financial accounting. Explain the need, significance and advantages of financial accounting.

OR

- 9 What is ratio? Explain various types of ratios used in financial analysis.

**UNIT - V**

- 10 Elucidate the nature of capital budgeting problem and what are the principle methods of ranking alternative investment proposals.

OR

- 11 Consider the projects and some relevant data.

Project	Annual cash flow	Original investment	Life in years	PV factor at 10%
A	12000	60000	15	7.7688
B	4500	20,500	10	6.3213

Rank this project following payback and NPV methods.