

B.Tech II Year II Semester (R13) Supplementary Examinations May/June 2017

**MANAGERIAL ECONOMICS & FINANCIAL ANALYSIS**

(Information Technology)

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 demand determinants of a product or service.
  - Define the price elasticity of demand with the formula.
  - Define isoquants and isocosts.
  - What is the significance of Break-Even Analysis?
  - Write three characteristics of monopoly market structure.
  - What are the different types of partners in partnership form of business?
  - What are the different types of capital? Give examples.
  - Write about Net Present Value (NPV) method.
  - What are the different types of accounting concepts?
  - Write three limitations of ratio analysis.

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

**UNIT – I**

- 2 What is law of demand? What are the different statistical methods of demand forecasting methods?  
**OR**  
3 What is the nature and scope of managerial economics? Explain cross elasticity of demand.

**UNIT – II**

- 4 Define Cobb-Douglas production function. Explain the internal and external economies of scale.  
**OR**  
5 (a) Explain Break-Even Analysis.  
(b) The selling price of a product is Rs. 20 and the variable cost is Rs. 8. If the fixed costs is Rs. 60,000. Determine the Break-Even point in units and sales.

**UNIT – III**

- 6 What are the different types of pricing methods and strategies?  
**OR**  
7 Write about the different types of public sector undertakings. Also explain about the documents required in the formation of a company.

**UNIT – IV**

- 8 Define capital and capital budgeting. What are the different types of capital and different sources of capital?  
**OR**  
9 Which of the following two projects would you prefer under Net Present Value (NPV) method at discounting factor of 10%?

Description	Project-A Cash Flow Rs.	Project-B Cash Flow Rs.	Discounting Factor (10%)
Initial Cost of Investment	150000	250000	1.000
I Year	50000	75000	0.909
II Year	45000	65000	0.826
III Year	65000	60000	0.751
IV Year	75000	85000	0.683
V Year	30000	55000	0.621

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**UNIT – V**

10 Explain Double Entry Book Keeping. What are the different types of financial ratios?

**OR**

11 Journalize following transactions in the Books of M/s. Laila Herbals Ltd., for the month of Nov-15.

Date	Transaction Description	Amount Rs.
01-11-2015	Business Commenced with Cash	15,00,000/-
03-11-2015	Deposited in Canara Bank	10,00,000/-
07-11-2015	Purchased Goods from M/s. GRR Infrastructures Ltd.	50,00,000/-
09-11-2015	Sold Goods to M/s. Laila Indo-US Ltd.	75,00,000/-
12-11-2015	Purchased Motor Vehicle from M/s. Nissan Motors Ltd.	5,00,000/-
14-11-2015	Advertising Rs. 5000/- and Telephone Rs. 900/-	
16-11-2015	Paid to M/s. GRR Infrastructures Ltd in full settlement of Account	48,00,000/-
18-11-2015	Paid Freight in cash	1,50,000/-
21-11-2015	Purchased Office Furniture from M/s. Allwyn Ltd.	4,00,000/-
30-11-2015	Withdrawn Cash for personal use	2,00,000/-
30-11-2015	Paid Salaries & Rent in Cash	1,75,000/-

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