

Code: 9AHS401

R09

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

MANAGERIAL ECONOMICS & FINANCIAL ANALYSIS

(Common to CE, BT, ME, EEE, ECC & MCT)

Time: 3 hours

Max. Marks: 70

Answer any FIVE questions

All questions carry equal marks

- 1 Explain the relationship between the fields of managerial economics
 - (a) Microeconomics and Macroeconomics.
 - (b) Accounting marketing, personnel and production.
- 2 (a) What are the most important determinants of the demand function that a firm faces for the commodity it sells?
 (b) What are producer goods? Why is the demand for durable goods less stable than the demand for non-durable goods?
- 3 What is a production function? What is the relationship between diminishing returns and the stages of production?
- 4 (a) What are the different types of market structures based on competition?
 (b) What is the difference between perfect competition and monopolistic competition?
- 5 (a) Explain about sole trader, partnership and joint stock company.
 (b) Give your opinion on the positives of demonetization and GST on Indian Economy.
- 6 (a) Explain the importance of capital budgeting decisions.
 (b) Compute NPV for the following data:

Description	Cash flows (Rs)	12% PV factor
Initial cash outflow	3,00,000	1.0000
1 st year	1,00,000	0.8928.
2 nd year	1,10,000	0.7971
3 rd year	1,50,000	0.7117
4 th year	1,75,000	0.6355
5 th year	1,10,000	0.5674
Scrap value	75,000	0.5674

- 7 Journalize the following transactions.
 - (i) Madan started business with Rs.60,000
 - (ii) Bought furniture worth Rs.20,000
 - (iii) Bought goods from Devika and Sons Rs.30,000
 - (iv) Sold goods to Mahadev Rs.80,000
 - (v) Returned goods to Devika and Sons Rs.3,000
 - (vi) Cash sales Rs.45,000
 - (vii) Sold goods to Rao and bro Rs.21,000
- 8 (a) What are the applications of financial ratio analysis?
 (b) Determine the debtors inventory turnover ratios with the help of the following information.

S.No	Description	Amount (Rs.)
1	Debtors opening balance	3,00,000
2	Debtors closing balance	5,00,000
3	Credit sales	80%
4	Opening stock	4,00,000
5	Closing stock	6,00,000
6	Gross sales	4,00,000
7	Gross profit	25%