

Code No: R05220201

R05

Set No. 2

II B.Tech II Semester Examinations, December 2010
MANAGERIAL ECONOMICS AND FINANCIAL ANALYSIS
Common to BME, MECT, BT, E.CONT.E, EIE, EEE

Time: 3 hours

Max Marks: 80

Answer any FIVE Questions
All Questions carry equal marks

1. Write short notes on:

- (a) Promotional elasticity of Demand
- (b) Passive forecast
- (c) Experts opinion method
- (d) Unitary elastic demand. [16]

2. What are the objectives behind the emergence of company organization? Do they achieve these objectives? Justify your answer. [16]

3. The Proforma cost sheet of a company provides the following particulars. [16]
Elements of Cost

Material - 40%

Labour - 20%

Overheads - 20%

The following further particulars are available

- (a) Proposed level of activity - 2,00,000 Units
- (b) Selling Price - Rs. 12/- per unit
- (c) Raw material stocks - One month
- (d) Work in Process - 1/2 month
- (e) Finished goods stock holding - 1 month
- (f) Credit allowed to debtors - 2 months
- (g) Credit allowed by creditors - one month

You are required to prepare a statement of working capital requirement.

4. (a) What do you understand by Product differentiation?
(b) In how many different ways product can be differentiated.
(c) Are Monopolistic competition and monopoly similar or different? Analyse. [6+6+4]

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5. The following balances are taken from the books of Abdul Rahman as on 31st March, 2005 with the help of which prepare Trading A/c, Profit & Loss A/c and Balance Sheet. [16]

	Debit. (Rs)	Credit. (Rs.)
Opening stock	55,000	
Bills Receivable	22,500	
Purchases and Purchase returns	95,000	2,500
Commission paid and received	4,000	2,000
Trade expenses	1,500	
Wages	14,000	
Insurance	5,500	
Sundry debtors and Creditors	1,50,000	98,250
Interest on capital	7,500	
Carriage inwards	6,250	
Sales returns and sales	6,500	2,50,000
Cash on hand	67,500	
Cash at bank	29,250	
Bills payable		22,250
Capital		89,500
	4,64,500	4,64,500

Closing stock was valued at Rs. 90,000.

6. Managerial Economics is the study of allocation of resources available to a firm or other unit of management among the activities of that unit. Explain. [16]
7. Explain the significance of each of the following ratios and illustrate them with assumed data. [16]
- Current ratio
 - Stock-Turnover ratio
 - Receivables-Turnover ratio
 - Interest coverage ratio.
8. (a) What do you understand by 'Break even Analysis' and explain its managerial uses. [8+8]
- (b) With what assumptions Breakeven theory will be adopted?

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R05**Set No. 4**

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3. (a) What do you understand by 'Break even Analysis' and explain its managerial uses.
 (b) With what assumptions Breakeven theory will be adopted? [8+8]
4. Explain the significance of each of the following ratios and illustrate them with assumed data. [16]
 - (a) Current ratio
 - (b) Stock-Turnover ratio
 - (c) Receivables-Turnover ratio
 - (d) Interest coverage ratio.
5. Write short notes on: [16]
 - (a) Promotional elasticity of Demand
 - (b) Passive forecast
 - (c) Experts opinion method
 - (d) Unitary elastic demand.
6. The Proforma cost sheet of a company provides the following particulars. [16]

Elements of Cost

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Labour - 20%

Overheads - 20%

The following further particulars are available

 - (a) Proposed level of activity - 2,00,000 Units

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- (b) Selling Price - Rs. 12/- per unit
- (c) Raw material stocks - One month
- (d) Work in Process - 1/2 month
- (e) Finished goods stock holding - 1 month
- (f) Credit allowed to debtors - 2 months
- (g) Credit allowed by creditors - one month

You are required to prepare a statement of working capital requirement.

7. The following balances are taken from the books of Abdul Rahman as on 31st March, 2005 with the help of which prepare Trading A/c, Profit & Loss A/c and Balance Sheet. [16]

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R05**Set No. 1**

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Time: 3 hours

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Answer any FIVE Questions
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You are required to prepare a statement of working capital requirement.

7. Explain the significance of each of the following ratios and illustrate them with assumed data.

- (a) Current ratio
- (b) Stock-Turnover ratio
- (c) Receivables-Turnover ratio
- (d) Interest coverage ratio.

[16]

8. (a) What do you understand by Product differentiation?
(b) In how many different ways product can be differentiated.
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R05**Set No. 3**

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MANAGERIAL ECONOMICS AND FINANCIAL ANALYSIS
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5. Explain the significance of each of the following ratios and illustrate them with assumed data.

- (a) Current ratio

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- (b) Stock-Turnover ratio
 (c) Receivables-Turnover ratio
 (d) Interest coverage ratio. [16]

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