

Code No: RT31022

**R13**

**SET - 1**

**III B. Tech I Semester Regular/Supplementary Examinations, October/November- 2017**  
**MANAGERIAL ECONOMICS AND FINANCIAL ANALYSIS**  
(Common to EEE, AME and MINE)

Time: 3 hours

Max. Marks: 70

Note: 1. Question Paper consists of two parts (**Part-A** and **Part-B**)  
2. Answering the question in **Part-A** is compulsory  
3. Answer any **THREE** Questions from **Part-B**

**PART -A**

- 1 a) Define the term Managerial Economics? [3M]
- b) What is meant by production function? Write the production function? [4M]
- c) What do you understand by Transaction based pricing? [4M]
- d) Define a joint stock company. [4M]
- e) List out the advantages of Double entry system of accounting? [4M]
- f) What is meant by time value of money? [3M]

**PART -B**

- 2 a) Define the term Demand? List out and explain the determinants of demand? [4M]
- b) How Managerial Economics is related with different subject areas? [8M]
- c) Write about the exceptions of law of demand? [4M]
- 3 a) Distinguish between explicit and implicit costs? [3M]
- b) State and illustrate Cobb-Douglas production function. What are the properties of this function? [8M]
- c) Define and explain isoquants. What are its properties? [5M]
- 4 a) What are the Features of Perfect Competition? [7M]
- b) Define a Monopoly market? How the Price-Output determination is made under Monopoly Markets? Explain with a diagram. [9M]
- 5 a) Define the term business? List out the features of a business? [8M]
- b) Explain Partnership form of organization in detail? [8M]
- 6 a) Define Accounting? What are the principles (concepts and conventions) of Accounting? [8M]
- b) How do you analyze the position of a business organization with the help of ratios? [8M]

Code No: RT31022

**R13**

SET - 1

- 7 a) Explain the Pay Back period method of Capital Budgeting? [6M]  
b) XYZ Co. is considering two projects, A & B, with cash flows as shown below: [10M]

period	CF <sub>A</sub>	CF <sub>B</sub>
0	-50,000	-100,000
1	20,000	60,000
2	20,000	25,000
3	20,000	25,000
4	20,000	25,000

The opportunity cost of capital for A is 14 percent. The opportunity cost of capital for B is 10 percent. Calculate the NPV and IRR for each project. Which project(s) should be accepted?

\*\*\*\*\*

2 of 2

Code No: RT31022

**R13**

**SET - 2**

**III B. Tech I Semester Regular/Supplementary Examinations, October/November- 2017**  
**MANAGERIAL ECONOMICS AND FINANCIAL ANALYSIS**  
(Common to EEE, AME and MINE)

Time: 3 hours

Max. Marks: 70

Note: 1. Question Paper consists of two parts (**Part-A** and **Part-B**)  
2. Answering the question in **Part-A** is compulsory  
3. Answer any **THREE** Questions from **Part-B**

**PART -A**

- 1 a) Define Law of Demand? What are features of demand curve? [4M]
- b) How will you define economies of scale? List out them? [4M]
- c) What is meant by Market Skimming pricing? [4M]
- d) What are the different forms of public sector organizations? [3M]
- e) What is the purpose of ratio analysis? [4M]
- f) What is meant by Capitalisation? [3M]

**PART -B**

- 2 a) Distinguish between individual demand and market demand? [4M]
- b) Define the term Managerial Economics? Explain the Nature and Scope of Managerial Economics. [8M]
- c) Define price elasticity of demand? What are the different variants of Price Elasticity of demand. [4M]
- 3 a) What do you understand by the term "Marginal Rate of Technical substitution". [3M]
- b) Explain the Law of variable proportions with a neat diagram. Label them. [8M]
- c) What are Assumptions and limitations of Break Even Analysis? [5M]
- 4 a) Explain Williamson's model of managerial utility maximization? How does this model explain the equilibrium of the firm? [8M]
- b) Define Oligopoly markets? What are the features of an Oligopoly Markets? [8M]
- 5 a) Explain in detail the Sole proprietary form of business organization? [8M]
- b) Define Business cycles? Explain the different phases of a business cycle with a neat sketch? [8M]
- 6 a) What is a Trial balance? List out the items that appear in a Trial balance? [8M]
- b) Differentiate between funds flow and cash flow statements? [8M]
- 7 a) Define the term capital budgeting? Write about the various decisions under capital budgeting? [8M]
- b) Enumerate the features of capital budgeting? Explain the steps involved in capital budgeting process? [8M]

\*\*\*\*\*

Code No: RT31022

**R13**

**SET - 3**

**III B. Tech I Semester Regular/Supplementary Examinations, October/November- 2017**  
**MANAGERIAL ECONOMICS AND FINANCIAL ANALYSIS**  
(Common to EEE, AME and MINE)

Time: 3 hours

Max. Marks: 70

Note: 1. Question Paper consists of two parts (**Part-A** and **Part-B**)  
2. Answering the question in **Part-A** is compulsory  
3. Answer any **THREE** Questions from **Part-B**

**PART -A**

- 1 a) Define Law of Demand? What are properties of demand curve? [3M]
- b) What do you understand about Break even analysis? [4M]
- c) List out the features of perfect competition? [4M]
- d) What are the different forms of business organizations? [3M]
- e) Write short notes on funds from operations? [4M]
- f) How do you calculate the payback period? [4M]

**PART -B**

- 2 a) Explain the scope of Managerial Economics? [4M]
- b) What is meant by Demand Forecasting? Explain the criteria of a good forecasting method? [8M]
- c) Define Elasticity of Demand? List out different types of Elasticity of demand? [4M]
- 3 a) Define and explain isoquants and isocosts? [3M]
- b) The sales Turnover and Profit during 2 years were as follows: [8M]

	Year		Sales(Rs.)
Profit(Rs.)			
	2011	2,80,000	30,000
	2012	3,20,000	40,000

Calculate the following:

- (i) P/V Ratio
- (ii) Fixed Cost
- (iii) BEP in Value
- (iv) Sales required to earn a profit of Rs.35,000
- c) How will you define economies of scale? What are the economies of scale that give increasing returns to scale? [5M]
- 4 a) How does Maris define the balanced growth of the firm? How do managers arrive at the balanced growth? [8M]
- b) List out the Different pricing methods? Explain any three pricing methods. [8M]
- 5 a) What is a public enterprise? State the features of public enterprises? [8M]
- b) Define business cycles? What are the characteristic features of business cycles and its phases? [8M]

Code No: RT31022

**R13**

**SET - 3**

- 6 a) Distinguish between capital and revenue nature of items.(Incomes and Expenditures.) [6M]
- b) The following are the ratios related to XYZ Ltd. [10M]
- |                          |          |
|--------------------------|----------|
| Inventory holding period | 2 months |
| Gross profit ratio       | 25%      |
- Gross profit for the current year amounted to Rs.2, 00,000. Closing stock is excess of RS 40,000 over opening stock. Find out:
- Sales
  - Cost of goods sold.
  - Closing stock
  - Opening stock
- 7 a) What is capital budgeting? Enumerate the features of a capital budgeting . [8M]
- b) A company has to consider the following project: [8M]
- |               |   |           |       |        |
|---------------|---|-----------|-------|--------|
| Cost          | : | Rs.10,000 |       |        |
| Year          | : | 1         | 2     | 3      |
| Cash inflows: |   | 1,000     | 1,000 | 2,000  |
|               |   |           |       | 10,000 |
- Compute the IRR

\*\*\*\*\*

Code No: RT31022

R13

SET - 4

**III B. Tech I Semester Regular/Supplementary Examinations, October/November- 2017**  
**MANAGERIAL ECONOMICS AND FINANCIAL ANALYSIS**  
 (Common to EEE, AME and MINE)

Time: 3 hours

Max. Marks: 70

Note: 1. Question Paper consists of two parts (**Part-A** and **Part-B**)  
2. Answering the question in **Part-A** is compulsory  
3. Answer any **THREE** Questions from **Part-B**

**PART -A**

- |   |  |      |
|---|--|------|
| 1 | a) Explain Income Elasticity of Demand?      | [4M] |
|   | b) Explicit cost Vs Implicit cost.           | [4M] |
|   | c) Write about Limit pricing?                | [4M] |
|   | d) List out the phases of a business cycles? | [3M] |
|   | e) How do you classify the Ratios?           | [3M] |
|   | f) Write short notes on ARR.                 | [4M] |

**PART -B**

- |   |  |      |
|---|--|------|
| 2 | a) Define Law of Demand? What are the exceptions to Law of Demand?   | [4M] |
|   | b) Explain the various tools used by the managerial economist in managerial decision making process.   | [8M] |
|   | c) Explain the Survey methods of demand forecasting.   | [4M] |
| 3 | a) Differentiate between Out of pocket costs and Imputed costs.  | [3M] |
|   | b) From the following particulars Find out   | [8M] |
|   | Selling price      Rs.200 per unit   |      |
|   | Variable cost    Rs.100 per unit   |      |
|   | Total Fixed cost Rs.96,000   |      |
|   | i) Break Even Units and Value. ii) Sales to earn a profit of Rs.20,000   |      |
|   | c) What do you understand about P/V Ratio.   | [5M] |
| 4 | a) Explain and illustrate the relationship between marginal cost, average cost and total cost assuming a short run non-linear cost function. | [8M] |
|   | b) Explain the different pricing methods in detail?  | [8M] |
| 5 | a) Define Monopoly markets? Explain the price-output determination under monopoly markets?   | [8M] |
|   | b) Define the term business cycles. Explain in detail the different phases of a business cycle.  | [8M] |
| 6 | a) Distinguish between double entry and single entry system of Accounting.   | [8M] |
|   | b) What is funds flow statement? How is it different from a balance sheet?   | [8M] |
| 7 | a) What is meant by time value of money? What are the methods based on time value of money? (Explain with an illustration.)                  | [8M] |
|   | b) How do you calculate Payback period and ARR. Explain with an example.   | [8M] |

\* \* \* \* \*