

B.Tech II Year I Semester (R15) Regular &amp; Supplementary Examinations November/December 2018

**MANAGERIAL ECONOMICS & FINANCIAL ANALYSIS**

(Common to CSE, ME &amp; IT)

Time: 3 hours

Max. Marks: 70

**PART – A**  
(Compulsory Question)

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- 1 Answer the following: (10 X 02 = 20 Marks)
- (a) What do you mean by demand?
  - (b) Briefly explain expert opinion method.
  - (c) Define isoquants and isocost.
  - (d) Differentiate fixed costs and variable cost.
  - (e) Write the features of perfect competition.
  - (f) List essential characteristics of joint stock company.
  - (g) Briefly explain working capital cycle.
  - (h) What are the various capital budgeting techniques?
  - (i) What is trial balance?
  - (j) List limitations of ratio analysis.

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

- 2 Define managerial economics. State its nature and scope.

**OR**

- 3 Explain types of elasticity of demand in detail.

**UNIT – II**

- 4 Explain production function with one variable input and laws of returns with imaginary data.

**OR**

- 5 Determine B.E.P and margin of safety.

Years	Sales (Rs.)	Profit (Rs.)
2016	2,00,000	20,000
2017	5,00,000	75,000

**UNIT – III**

- 6 Differentiate private and public limited companies in their features and merits.

**OR**

- 7 Explain the types of competition and give examples of companies for each.

**UNIT – IV**

- 8 Define accounting and explain accounting concepts & conventions.

**OR**

- 9 Determine Debtors turnover & velocity and inventory turnover & velocity from the given information.

Debtors opening balance	Rs. 4,00,000
Debtors closing balance	Rs.6,00,000
Credit sales	80%
Opening stock	Rs.1,00,000
Closing stock	Rs.3,00,000
Total sales (cash + credit)	Rs. 25,00,000
Gross profit	20%
No. of days in year	360

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**UNIT – V**

10 What are the types of sources of capital? Explain.

**OR**

11 Determine net present value (NPV) and payback period.

Years	Cash inflows (Rs.)	PV factor @10%
1	1,20,000	0.909
2	1,10,000	0.826
3	1,05,000	0.751
4	1,75,000	0.683
5	1,00,000	0.621
5 (scrap)	50,000	0.621

Initial investment of the project is Rs.5,00,000 and cost of capital assumed to be 10%.

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