

Code No: R1621026

R16**SET - 1****II B. Tech I Semester Supplementary Examinations, May - 2018****MANAGERIAL ECONOMICS & FINANCIAL ANALYSIS**

(Common to EEE,ME, ECE,EIE,ECC,AME,AE and Mining Engineering)

Time: 3 hours

Max. Marks: 70

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

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**PART -A**

1. a) Explain the Scope of Managerial Economics (2 M)
- b) Discuss Economies of Scale (3M)
- c) Explain the features of monopoly. (2M)
- d) Explain Sole trader problem (2M)
- e) Write the Format of funds flow statement (3M)
- f) Explain IRR significance (2M)

**PART -B**

2. a) What is managerial economics? Explain its nature and scope. (7M)
- b) Define demand and explain the determinants of demand. (7M)
3. a) Write differences between Explicit and Implicit Costs (7M)
- b) ABC firm has a fixed cost of Rs.500000/-; selling price per unit is Rs.500/- and variable cost per unit is Rs.250/- present level of production is 35000 units, calculate BEP in terms of volume and sales value. (7M)
4. a) Explain the significance of Monopolistic Competition market (7M)
- b) Explain the Williamson's managerial theory of a firm. (7M)
5. a) What is sole trading? Explain the merits and demerits of sole trading. (7M)
- b) Define business cycles. Discuss the phases of business cycles. (7M)
6. a) What do you understand by the analysis and interpretation of financial statements? (7M)
- b) From the following information you required to calculate net profit and cash from operations: (7M)  
Opening stock Rs.10,000/-; Purchases Rs.30,000/-; Sales Rs.50,000/-; Closing stock Rs.15,000/- and Expenses Rs. 10,000/-
7. a) Discuss the traditional methods of project appraising. (7M)
- b) What is NPV? How it calculates and explains the acceptance rule of NPV? (7M)