

Code No: RT22014

R13**SET - 1**

II B. Tech II Semester Supplementary Examinations, April-2018
MANAGERIAL ECONOMICS AND FINANCIAL ANALYSIS
(Com. to CE, EIE)

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 **THREE** Questions from **Part-B**
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PART -A

1. a) Explain the nature of Managerial Economics. (3M)
- b) Describe the salient features of Cobb-Douglas Production. (4M)
- c) Explain the conditions of monopoly. (4M)
- d) Explain the salient features of Private Limited Joint Stock Company. (4M)
- e) Describe the importance accounting and financial analysis. (3M)
- f) Explain the meaning of Capital and Capitalization. (4M)

PART -B

2. a) What is demand? And explain its types, law of demand and its exceptions. (8M)
- b) What is elasticity demand? And explain its types and measurement. (8M)
3. a) Briefly explain the law of variable proportions. (8M)
- b) Explain any four cost concepts. (8M)
4. a) Explain the salient features of Oligopoly and its Kinked demand curve. (8M)
- b) What is market Skimming Pricing? And explain the flat rate and transaction based pricing. (8M)
5. a) Briefly explain the importance public enterprises and their forms. (10M)
- b) Briefly explain the salient features of business cycles. (6M)
6. a) Explain the salient features of ratio analysis. What are the Limitations of Ratio analyses? (4M)
- b) Given the following data relating to firm X and firm Y in the hosiery business, calculate which firm is handling its debtors and creditors position efficiently? Substantiate your answer. (12M)

Details	Firm X	Firm Y
Debtors (1.1.2013)	8,000	12,000
Debtors (31.12.2013)	16,000	14,000
Creditors (1.1.2013)	32,000	28,000
Sales (75% credit)	2,50,000	3,60,000
Purchases (60% credit)	1,50,000	2,25,000
Furniture and fixtures	25,000	35,000
Cash	5,000	8,000
Creditors (31.12.2013)	26,000	42,000

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7. a) Explain the meaning and need of capital budgeting. (6M)
b) Calculate the average rate of return for project A and B from the following: (10M)

Details	Project A	Project B
Investment	Rs. 30,000	Rs. 48,000
Expected life	6 years	8 years

(No salvage value)

PROJECT NET INCOME (AFTER DEPRECIATION AND TAXES)

Years	Project A	Project B
1	4,000	6,000
2	3,000	6,000
3	3,000	4,000
4	2,000	2,000
5	---	2,000
Total	12,000	20,000