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

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