

Code No: RT41356

R13**Set No. 1****IV B.Tech I Semester Supplementary Examinations February/March - 2018**
MANAGERIAL ECONOMICS & FINANCIAL ANALYSIS

(Agriculture Engineering)

Time: 3 hours**Max. Marks: 70***Question paper consists of Part-A and Part-B**Answer ALL sub questions from Part-A**Answer any THREE questions from Part-B*

PART-A (22 Marks)

1. a) Describe important features of managerial economics. [4]
- b) Differentiate between implicit and explicit cost. [3]
- c) What are the objectives of the pricing? [3]
- d) Define partnership? Explain its features and limitations. [4]
- e) Is it double entry system of book-keeping is superior to single entry? Justify. [4]
- f) What is the Need for capital budgeting? [4]

PART-B (3x16 = 48 Marks)

2. What is meant by elasticity of demand? How do you measure it? What are determinates of elasticity of demand? [16]
3. a) Why does law of diminishing returns operate? Illustrate with assumed data. [8]
- b) The P/V ratio of Naresh books Ltd is Rs. 40% and the margin of safety Rs. 30. Calculate BEP and Net Profit. If the sales volume is Rs. 14000/-. [8]
4. a) Define Market and explain how markets are classified? [8]
- b) Discuss Internet pricing and priority pricing methods. [8]
5. What are the reasons for introducing company form of organizations and list its pros and cons. [16]
6. a) From the following transaction prepare Journal entries with narration
i. Govind started business with cash Rs 1,00,000
ii. Purchased furniture and paid by cheque 25,000
iii. Commission Received Rs 2,000
iv. Discount allowed Rs 5,000
v. Drawings Rs 7,000 [8]
- b) Explain the significance and utility of ratio analysis in financial decision making. [8]
7. a) How do you estimate the fixed and working capital requirements of an industrial unit? [8]
- b) Compare and contrast the NPV and ARR methods of evaluating investment proposals. [8]