

Code No: RT22014

R13
SET - 1

II B. Tech II Semester Supplementary Examinations, April/May - 2019
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**

PART - A

1. a) Explain the scope of Managerial Economics. (4M)
- b) Describe the salient features of Isoquants and Is costs. (3M)
- c) Explain the salient features of Oligopoly. (4M)
- d) Describe salient features of Partnership. (4M)
- e) Explain the importance of double entry systems. (3M)
- f) Describe the importance Capital and Capital Budgeting. (4M)

PART - B

2. a) What is demand? And explain the elasticity of demand and its measurement. (8M)
- b) Explain the significance of demand forecasting and briefly describe its methods. (8M)
3. a) What is Opportunity Cost? And explain the implicit and explicit costs. (8M)
- b) Explain the salient features of Break-even analysis. (8M)
4. a) Explain the conditions of Perfect Competition and describe its price and output determination in short-run. (8M)
- b) Describe the importance Pricing and explain any three methods of Pricing. (8M)
5. a) Explain the salient features of Private and Public limited Joint Stock Companies. (8M)
- b) Briefly explain the salient features of business cycles. (8M)
6. a) Explain the significance of ratio analysis. What is the purpose of liquidity ratio? (6M)
- b) The earnings before interest and taxes (EBIT) of a company is Rs. 5,60,000 . Its fixed commitments include Payment of 10 percent on 7000 debentures of Rs 100 each. It is subject to tax of 30 percent per annum.
 Calculate interest coverage ratio. (10M)
7. a) Explain the importance of capital and Capital Budgeting. (4M)
- b) A firm is considering two projects each with an initial investment of Rs. 20,000 and a life of 4 years. The following is the list of estimated cash inflows after taxes: (12M)

Year	Proposal I	Proposal II	Proposal III
1	12,500	11,750	13,500
2	12,500	12,250	12,500
3	12,500	12,500	12,250
4	12,500	13,500	11,750
Total	50,000	50,000	50,000

Determine accounting rate of return on (a) Average capital (b) Original capital employed.