Code No: A109210106 $\boxed{\text{R09}}$ $\boxed{\textbf{Set No. 2}}$

II B.Tech I Semester Examinations,MAY 2011
MANAGERIAL ECONOMICS AND FINANCIAL ANALYSIS
Civil Engineering

Time: 3 hours   Max Marks: 75

Answer any FIVE Questions
All Questions carry equal marks
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1. Differentiate between point and arc elasticity of demand.   [15]

2. Determine the price-output combination that will maximize the profit of a monopolist in the market period and in the short run period.   [15]

3. The following Trial Balance was drawn from the books of Zig-Zag Traders. [15]

Trial Balance.

Debits	Rs.	Credits	Rs.
Building	60000	Capital	73600
Machinery	17000	Fixtures	5600
Returns outward	2600	Sales	104000
Bad Debts	2800	Debtors	60000
Cash	400	Interest Received	2600
Discount Receiced	3000		
Bank Overdraft	10000		
Creditors	50000		
Purchases	100000		
	245800		245800

Even though the debit and credit sides agree, the trial balance contains mistakes. Redraft the Trial Balance.

4. Distinguish between the following:

   (a) Fixed assets and current assets

   (b) Debt and equity

   (c) Gross Profit and Net Profit

   (d) Debtors and creditors   [15]

5. Review the appropriateness of the following criteria of appraising investment :

   (a) Pay-back period

   (b) Net Present Value

   (c) Profitability Index   [15]

6. Distinguish between need and demand. Why is demand is more relevant to a firm than just a need?   [15]

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7. What is the contribution and what is its role in Cost-Volume-Profit analysis? [15]

8. 'Small is beautiful'. Do you think this is the reason for the survival of the sole trader form of business organization? Support your answer with suitable example. [15]

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FIRSTRANKER

Code No: A109210106 | R09 | Set No. 4

II B.Tech I Semester Examinations,MAY 2011
MANAGERIAL ECONOMICS AND FINANCIAL ANALYSIS
Civil Engineering

Time: 3 hours   Max Marks: 75

Answer any FIVE Questions
All Questions carry equal marks
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1. What is the need of Public Enterprises? Explain the recent achievement of public enterprises.   [15]

2. With the following ratios and further information given below, prepare trading and profit and loss account and a balance sheet of Mr. Yogesh Vijay.

   (a) Gross profit ratio 25%

   (b) Net proft ratio 20%

   (c) stock turnover ratio 10 times

   (d) net proit /capital 1/5

   (e) capital to external liability 1/2

   (f) fixed assets/capital 5/4

   (g) fixed assets/total current assets 5/7

   (h) fixed assets Rs.500000

   (i) closing stock Rs.50000.   [15]

3. Explain different phases that are involved in the accounting mechanism.   [15]

4. Examine the various methods of evaluating the profitability of project proposals and discuss their relative merits and limitations.   [15]

5. Discuss the various factors affect the pricing of a product.   [15]

6. Distinguish between fixed and variable costs. Explain the shapes of the average fixed cost curve, average variable cost curve and the marginal cost curve.   [15]

7. What is demand function? Explain with suitable example the various factors of demand.   [15]

8. Discuss the various statistical methods of demand forecasting.   [15]

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Code No: **A109210106** | **R09** | **Set No. 1**

II B.Tech I Semester Examinations,MAY 2011
MANAGERIAL ECONOMICS AND FINANCIAL ANALYSIS
Civil Engineering

Time: 3 hours

Max Marks: 75

Answer any FIVE Questions
All Questions carry equal marks
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1. The market demand function of a commodity is represented by $Qa = 20 - 2Pa - 0.5Pb + 0.01Y$ where Qa is the quantity demanded of a, Pa is the price of a, Pb is the price of b, and Y is the consumers income. Calculate price elasticity of demand for A when $Pa = 5$, $Pb = 10$ and $Y = 1000$. [15]

2. Write short notes on:

    (a) Ratios associated with working capital

    (b) Components of Debts

    (c) Redemption of Debentures [15]

3. The following figures are available relating to a business for the year 2004

Particulars	Rs	Particulars	Rs.
Opening Stock	20000	Closing Stock	10000
Purchases	100000	Indirect Expenses	10000
Purchase returns	10000	Sales	125000
Direct Expenses	15000	Sales Returns	5000

   Calculate

    (a) Cost of goods sold

    (b) Gross Profit

    (c) Net Profit [15]

4. What is demand function? What are the exceptions to law of demand? [15]

5. Examine the factors which explain why the average cost of producing a commodity declines, with an expansion in the scale of production. [15]

6. What are the different forms of business organizations? Comment on their relative merits and demerits. [15]

7. Capital Budgeting is the process of evaluating the relative worth of long-term investment proposals based on their profitability- Explain this statement. [15]

8. Distinguish between skimming pricing and penetration pricing strategies. [15]

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Code No: A109210106 | **R09** | **Set No. 3**

II B.Tech I Semester Examinations,MAY 2011
MANAGERIAL ECONOMICS AND FINANCIAL ANALYSIS
Civil Engineering

Time: 3 hours   Max Marks: 75

Answer any FIVE Questions
All Questions carry equal marks
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1. Distinguish between Fixed cost and Sunk costs. [15]

2. Why is the slope or gradient of the demand curve not a reliable indicator of price elasticity of demand? [15]

3. 'Managerial economics is multidisciplinary in nature'. Explain. [15]

4. Explain the chief forms of industrial organization, indicating their relative advantages. [15]

5. Who are the users of financial statements of a business unit and explain how differently they interpret the financial data? [15]

6. What is penetration pricing? Discuss the various conditions in which this pricing strategy is used. [15]

7. From the following Ledger Balances Prepare Final Accounts for MessersRajindra Bros. As on 31st March, 2009.
   Ledger Balances:(All are given in Rupees)
   Capital 18000, Stock 3720, B.P 4827, Creditors 7581, BR 3291, Sales 12439, Cash at Bank 1900, Machinery 6710, Buildings 5290, Commission(cr)390, Insurance 119, Postage 132, Discount(cr) 627, purchases 10492, returns inward 1000, returns outward 1200, cash in hand 400, salaries 1400, carriage 400, wages 1510 depreciation 600.
   Adjustment item:
   Closing stock:
   Closing stock valued at Rs.17929. [15]

8. Explain the difference between shares and debentures. Also explain the merits of funds raising through debentures. [15]

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