

Code: 9AHS401

**R9**

B.Tech IV Year I Semester (R09) Supplementary Examinations, May 2013

**MANAGERIAL ECONOMICS AND FINANCIAL ANALYSIS**

(Common to CSE, IT and CSS)

Time: 3 hours

Max Marks: 70

Answer any FIVE questions  
All questions carry equal marks

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- 1 What are the contributions and limitations of managerial economics to business managers?
- 2 What are the factors governing elasticity of demand? Discuss the managerial significance of elasticity of demand.
- 3 A machine tools factory has a plant capacity of enough hours 9000. Annual fixed charges are of Rs.5,00,000 per year. It can produce two products of B and C. It has three options: make B or make C or make some units of B and some units of C. Look at the following data:

	B	C
Selling price	25,000	40,000
Variable cost (Rs)	10,000	20,000
Demand	25000 units	50000 units
Time taken for production	3 hours	5 hours

What product mix will maximize the net profits of the factory? Calculate the maximum net profit.

- 4 (a) What are the causes for the emergence of monopoly?  
(b) How is the equilibrium position attained by a monopolist under varying cost conditions?
- 5 (a) What is a business? Explain its characteristics.  
(b) Explain factors to be considered for starting a business enterprise.
- 6 (a) Explain the factors affecting the requirements of working capital?  
(b) Determine the capital, and its features.
- 7 (a) What is a 'Ledger'? Explain its types and the main advantages of ledger.  
(b) Explain final accounts and its importance.
- 8 Define ratio analysis. How is calculate ratio's and explain its importance?

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