Code No. 11371/N

FACULTY OF INFORMATICS

M.C.A. (2 Years Course) I - Semester (CBCS) Examination, August 2021

Subject: Managerial Economics & Accountancy

Time: 2 Hours

Max. Marks: 70

Note: *Answer any four questions.*

(4 x 17 ½ = 70 Marks)

1 (a) Tell about the nature of managerial economics in business.
  (b) Write a note on profits and case study method.

2 (a) State the Fundamental concepts of managerial economics in decision making.
  (b) Distinguish between Risk and Uncertainty.

3 What is Law of Demand? Explain with the help of a diagram and also its exceptions.

4 (a) Explain the methods of measuring elasticity of demand.
  (b) What is the significance of income and price elasticity of demand?

5 Explain how price and output is determined under perfect competition both in the short-run and Long run.

6 Why do the Short-Run Cost curve is U-shaped? Explain with suitable diagram.

7 A project involves initial outlay of Rs.1,80,000. Its working life is expected to be 4 years. The cash inflows are likely to be as follows:

Year	Cash inflows (Rs.)
1	1,64,000
2	2,56,000
3	3,24,000
4	3,60,000

Compute the IRR.

8 What are the determinants of working capital? Explain.

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