

RAYALASEEMA UNIVERSITY COLLEGE OF ENGINEERING, KURNOOL
B. Tech IV Semester End Examinations, December 2021
MANAGERIAL ECONOMICS AND FINANCIAL ANALYSIS (19ABS9905)
(Common to IV SEMESTER CSE & ECE)

Time: 3 Hours

Max. Marks: 70
(10 x 2 = 20 M)

PART-A
(Compulsory Question)

Answer the following

1. a) Explain managerial economics?
- b) Discuss assumptions of Law of Demand.
- c) What production function?
- d) Explain economies of scale with example?
- e) Explain characteristics of sole proprietorship?
- f) What is perfect competition?
- g) Explain capital expenditure with example?
- h) Explain Time value of money?
- i) Explain Going concern concept?
- j) What is double entry system?

PART-B (5 x 10 = 50 M)

(Answer One FULL Question from each Unit; All questions carry EQUAL marks)

UNIT-I

2. Explain in detail nature and scope of managerial economics?

(OR)

3. Explain various types of price elasticity of demand?

UNIT-II

4. From the following data find out (a) P/V Ratio, (b) Break-even Point, (c) Net profit if the sales is Rs.2,50,000, and (d) Sales to get a net profit of Rs.70,000.

Sales	Rs.2,00,000
Marginal Cost	Rs.1,50,000
Contribution	Rs. 50,000
Less: Fixed Expenses	Rs. 15,000
Net Profit	Rs. 35,000

(OR)

5. Explain in detail law of diminishing marginal utility.

UNIT-III

- ✓ 6. Explain in detail different types of markets?

(OR)

7. Explain in detail LPG in the context of Indian Business Environment?

UNIT-IV

- ✓ 8. What is working capital? What are the various sources of long term and short term capital?

(OR)

9. High-tech company is considering an investment proposal to purchase a machine costing Rs.2,50,000. The machine has a life expectancy of 5 years and no salvage value. The company's tax rate is 40%. The firm uses straight line method for providing depreciation. The estimated cash flows before tax after depreciation from the machine are as follows:

Year	CFAT (Rs.)
1.	60,000
2.	70,000
3.	90,000
4.	1,00,000
5.	1,50,000

Calculate (1) Payback period and (2) NPV at 10% discount rate.

UNIT-V

10. What is financial accounting? Discuss advantages and limitations of financial accounting?

(OR)

- ✓ 11. Explain Accounting Concepts and Conventions.

Table: Present Value of V of Rupee 1.

n	10%	12%
1	0.9091	0.8929
2	0.8265	0.7972
3	0.7513	0.7118
4	0.6830	0.6355
5	0.6209	0.5674