

B.Tech III Year I Semester (R15) Regular Examinations November/December 2017

MANAGERIAL ECONOMICS & FINANCIAL ANALYSIS

(Mechanical Engineering)

Time: 3 hours

Max. Marks: 70

PART – A

(Compulsory Question)

1 Answer the following: (10 X 02 = 20 Marks)

- (a) What is elasticity of demand?
- (b) Explain management.
- (c) What is cost concept?
- (d) What is privatization?
- (e) What is meant by globalization?
- (f) What is cost behavior?
- (g) What is a ledger?
- (h) Define liquidity ratio.
- (i) What is accounting rate of return?
- (j) What is internal rate of return?

PART – B

(Answer all five units, 5 X 10 = 50 Marks)

UNIT – I

2 Define managerial economics. Explain its nature and scope of managerial economics.

OR

3 What do you understand by demand forecasting? What is the need for it?

UNIT – II

4 Explain Cobb-Douglas production function.

OR

5 What is breakeven point? Explain its significance and limitations.

UNIT – III

6 What is partnership firm? What are the types of partners? Explain its features.

OR

7 What is monopolistic competition? Explain its important features.

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UNIT – IV

- 8 Prepare a trading and profit loss account and a balance sheet as on 31st March 2017, from the under mentioned trial balance of M/s Sahni Bros.
Closing stock was valued at Rs.9000

Particulars	Amount	
	Debit	credit
Opening stock	10000	
Purchases and sales	20000	40000
Returns	2000	1000
Discount	1000	2000
Capital and drawings	5000	65000
Cash and bank overdraft	7000	12000
Debtors and creditors	19000	12000
Carriage and cartage	3000	
Freight outward	4000	
Salaries and wages	6000	
Stationery	4000	
Land and building	35000	
Plant and machinery	15000	
Fixtures and fittings	5000	
Bills receivables and payables	6000	4000
General reserve		600
total	142000	142000

OR

- 9 Explain the merits and limitations of ratio analysis.

UNIT – V

- 10 A project costs Rs.5000000 and yields annually a profit of Rs.1000000 after depreciation @10% per annum but before tax of 50%. Calculate the payback period 10%.

OR

- 11 Describe the factors determining working capital.
