

B.Tech II Year II Semester (R13) Regular & Supplementary Examinations May/June 2016

MANAGERIAL ECONOMICS & FINANCIAL ANALYSIS

(Information Technology)

Time: 3 hours

Max. Marks: 70

PART – A
(Compulsory Question)

- 1 Answer the following: (10 X 02 = 20 Marks)
- Define managerial economics. What is the scope of managerial economics?
 - Write about Cross elasticity of demand.
 - Define the laws of returns.
 - What are the limitations of Break-Even Analysis?
 - What are the different types of partners in partnership form of business?
 - Write about Memorandum of association.
 - What are the long-term sources of capital?
 - Write about discounted cash flow (DCF) methods.
 - Define accounting period concept and money measurement concept.
 - What are the profitability ratios?

PART – B
(Answer all five units, 5 X 10 = 50 Marks)**UNIT – I**

- 2 What are demand determinants? Write about factors that determine the demand for a Mobile, iPad and Laptop.

OR

- 3 What are the different types of demand forecasting methods? Explain them.

UNIT – II

- 4 Define Cobb-Douglas production function. Explain the production function for two-variable input factors.

OR

- 5 (a) Define Break-Even Analysis. What is the significance of Break-Even Analysis?
(b) A Firm has a fixed cost of Rs. 10,000/-, selling price is Rs. 20 and variable cost is Rs. 8. Determine the Break-Even point in volume and sales.

UNIT – III

- 6 Differentiate between Perfect competition and Monopoly. Explain Price-Output relationship under Monopoly.

OR

- 7 What are the different types of pricing strategies? Explain each strategy with an example of a product or service.

UNIT – IV

- 8 What are the different methods and sources of capital? Explain the NPV method.

OR

- 9 A project involves an initial outlay of Rs. 1,30,000. Its working life is 3 years and the cash inflows are as follows: Rs. 64,000, Rs. 56,000 and Rs. 24,000 for the first three years. Determine whether the project is profitable on the basis of payback period methods and ARR method.

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UNIT – V

10 What are the different types of accounting concepts and conventions? Explain the significance of ratio analysis.

OR

11 Journalize the following transactions and prepare the trial balance:

a.	Madan started business with a capital of Rs. 50,000
b.	Bought furniture worth Rs. 2000
c.	Bought goods from Devika & Sons Rs. 14,000
d.	Sold goods to Mahindra Singh Rs. 5000
e.	Returned goods to Devika & Sons Rs. 1000
f.	Cash sales Rs. 89,000
g.	Sold goods to Rao & Bros. Rs. 22,000
h.	Paid salaries Rs. 34,000
i.	Paid telephone bill Rs. 900
j.	Paid wages Rs. 980
k.	Deposited into bank Rs. 24,000
l.	Advertisement expenditure Rs. 2000
m.	Withdrew for personal use Rs. 2500
