

B.Tech II Year II Semester (R09) Supplementary Examinations May/June 2017

MANAGERIAL ECONOMICS & FINANCIAL ANALYSIS

(Common to EIE, E.Con.E & ECE)

Time: 3 hours

Max. Marks: 70

Answer any FIVE questions
All questions carry equal marks

- 1 (a) Why is managerial economics being considered in a central part of each functional area of management? Discuss.
(b) Identify the most important determinants of the demand function that a firm faces for the commodity it sells.
- 2 What is elasticity of demand? Explain the different types of elasticity of demand with examples.
- 3 What do an Isoquant refer to In short run or In long run? And Why? Can Isoquants intersect? Why?
- 4 (a) Elucidate the importance of understanding about different kinds of market structures for a businessman.
(b) Explain the difference between Monopoly and Perfect Competition.
- 5 (a) Explain the different forms of business organizations.
(b) Give a brief description about the changes that have taken place in the Indian business environment in recent times.
- 6 What is capital budgeting? What are the various discounting cash flow methods of capital budgeting.
- 7 (a) What are final accounts? Explain the process of accounting.
(b) Journalize the following transactions in the books of XYZ Co.
2015 April 1: Commenced business with Cash Rs. 5,50,000

2: Bought furniture	Rs. 40,000
3: Purchased goods from Ravi	Rs. 1,00,000
4: Sold goods for cash	Rs. 50,000
5: Sold goods to Ashok	Rs. 90,000
6: Goods returned to Ravi	Rs. 10,000
7: Salaries paid — Rs.300000	
Advt — Rs. 500 Fuel - Rs.100	
- 8 (a) What is ratio analysis? Where is it used?
(b) What are the different types of liquidity and activity ratios?
