

UNIT-1

- 1) Define Managerial Economics. Explain its nature and scope.
- 2). What is the meaning of Managerial Economics and it is linked with other subjects.
- 3). Define demand and explain its nature and types of demand.
- 4). Write about the elasticity of demand and what are the types of elasticity of demands with its significance.
- 5). Define the elasticity of demand and explain the measurement of elasticity of demand.
- 6). What is the meaning of demand forecasting and explain the methods of demand forecasting.
- 7). What is the meaning of law of demand and its exception and write about
 - a) concept of supply & law of supply
 - b) Market economy & digital economy

UNIT-2

- 1). Discuss about the production function with one input variable and two input variables.
(or)
Explain the theories of production function (or) Law of variable proportion.
- 2). What are the economics of sales.
- 3). write a short notes on isoquants & isocosts and explain the least cost combination of input factors.
- 4). Discuss about the different cost concepts and Explain the concept break even analysis, its significance and limitations (or) cost-volume-profit analysis.
- 5). From the following particular find out the break even point(in units) and in sales

Variable cost per unit - 40/-
Selling price per unit - 80/-
Fixed expenses - 2,00,000/-
Output - 10,000 units[sales]

- 6). From the following data calculate
 - a) Break Even Point expressed in amount of sales(in Rs)
 - b) No of units that must be sold to earn a profit of 60,000/- per year

selling price - 20/- per unit
variable manufacturing cost - 11/- per unit
variable selling cost - 3/- per unit
fixed factory O/H expenses -5,40,000/- per year
fixed selling cost - 2,52,000/- per year

- 7). XYZ company wishes to know its
 - a) B.E.P of production
 - b) margin of safety during July to December from following information.

	Jan-June(Rs)	July-Dec(Rs)
sales	2,00,000	2,50,000
Not profit	20,000	30,000

UNIT-3

- 1). Define market structure and explain the features of perfect & imperfect market.
- 2). Discuss about the price output determination in perfect competition-long run & short run.

- 3). What is the meaning of monopoly competition, its feature and explain the price output determination in monopoly market/competition.
- 4). Define Business cycle and what are the phases of business cycle.
- 5). Explain the methods of pricing.
- 6). Explain the market skimming price, internet price and flat-rate price.
- 7). Explain the features and evolution of sole-trader & partnership
(or)
Differences between sole-trader & partnership.
- 8). Discuss about the joint stock company, its features, advantages and disadvantages.

UNIT-4

- 1). What about the double and entry keeping and what are the accounting concept & accounting.
- 2). Explain the different types of ratios/ratio analysis.
- 3). Journalise the following transactions in the books of madhu

1-1-2020 Madhu started business with Rs 5000/-
 3-1-2020 purchased goods from babur Rs 2000/-
 4-1-2020 interest received Rs 750/-
 5-1-2020 sold goods for cash Rs 7000/-
 6-1-2020 purchased machinery for cash Rs 20,000/-
 7-1-2020 paid salaries Rs 15,000/-
 8-1-2020 cash deposited into bank Rs 15,000/-
 9-1-2020 Goods returned to Babur Rs 500/-
 10-1-2020 sales return Rs 1,000/-

- 4). Prepare Trail balance with following accounts for the year ending 31-03-2021

PARTICULARS	AMOUNT	PARTICULARS	AMOUNT
opening stock	48,000	rent paid	1,000
salaries	2,000	sales	1,25,000
wages	14,000	sundry creditors	13,650
freight	2,5000	reserve for bad debts	2,500
purchases	60,000	return outwards	750
interest on bank loan	100	plants & machinery	10,000
bill receivables	3,000	travelling expenses	2,500
cash in hand	100	cash at bank	900
plant repairs	800	buildings	2,500
return inwards	500	sundry debtors	17,500
office expenses	2,500	drawing	3,250
capital	25,000	bills payable	2,500
loan from bank	2,000	income tax	250

- 5). Enter the following transactions in the journal of narayana and post them into ledgers accounts.

1-1-2024 commenced business with cash 45,000/-
 4-1-2024 purchased goods for cash 25,000/-
 9-1-2024 sold goods for cash 8,000/-
 9-1-2024 paid wages 500/-
 11-1-2024 purchased good from lalitha 7000/-
 15-1-24 goods sold to shekhar 5,000/-
 23-1-2024 received cash from shekhar 1,000/-
 31-1-24 paid office rent 400/-

31-1-24 paid salaries 1,000-

UNIT-5

- 1). Define capital budgeting and explain the methods of traditional and modern methods.
- 2). Prakask Iron works is considering the purchase of a machine. Two machines A & B are available each costing Rs 1,50,000/-. Earnings after taxation but before charging depreciation are expected to be as under:

Evaluate the two alternatives by using NPV method at 10% discount factor

Year	MachineA	MachineB
1	45,000	15,000
2	60,000	45,000
3	90,000	60,000
4	30,000	90,000
5	30,000	60,000

- 3). A company is considering purchase a machine. Two machines each costing Rs 1,20,000/- are available. Earning after taxation, but before charging depreciation are

cash inflows		
Year	MachineA	MachineB
1	36,000	24,000
2	54,000	48,000
3	60,000	72,000
4	45,000	54,000
5	30,000	42,000

Evaluate the two alternatives according to

- a) The pay back method
- b) ARR method
- c) Net present value method(cost of capital at the rate of 10%)
- d) Profitability Index Method(PI)

- 4). Invest Rs 9000/- now; receive 3 yearly payments of Rs 2500 each, plus Rs 4000/- in the 3rd year. Find IRR.

- 5). A Machine costs Rs 4,00,000/- and is expected to generate the following cash inflows during its life time. Compute the pay back period and ARR method.

Year	1	2	3	4	5	6	7	8	9	10
CFAT	60,000	80,000	40,000	1,00,000	1,10,000	80,000	60,000	1,50,000	1,40,000	1,80,000