



## DEPARTMENT OF MCA

<b>Class</b>	<b>: I MCA - II SEM</b>	<b>Academic Year</b>	<b>: 2023-2024</b>
<b>Course Title</b>	<b>: Managerial Economics &amp; Financial Analysis</b>		
<b>Faculty</b>	<b>: Mr.R.Eswar Reddy /Dr.B.Ankaiah</b>	<b>Branch</b>	<b>: MCA</b>

### MODEL QUESTION BANK

#### MODULE – 1

#### INTRODUCTION TO MANAGERIAL ECONOMIC & DEMAND ANALYSIS

S.NO	QUESTION	CO	BL	MARKS
1	Define Managerial Economics. Explain its nature and scope	1	1	12
2	Explain how economics is linked with financial accounting and management	1	2	12
3	Define demand function and explain the determinants of demand	1	1	12
4	What is meant by elasticity of demand? Explain its types.	1	1	12
5	Explain how do you measure elasticity of demand? Explain different types price of elasticity of demand	1	2	12
6	What are the needs for demand forecasting and Explain the various factors governing of demand forecasting	1	1	12
7	What do you understand by demand forecasting? Explain different methods of demand forecasting	1	1	12
8	Explain the significance of elasticity and the factors influencing elasticity	1	2	12
9	what is the contemporary importance of managerial economics	1	1	12
10	Write a short notes on a. Law of demand b. Exceptions of demand	1	1 1	6 6

#### MODULE – 2

#### Theory of production & cost and break even analysis

S.NO	QUESTION	CO	BL	MARKS
1	A company makes a single product with a sales price of Rs.10 and a variable cost of Rs.6 per unit. Fixed costs are Rs.60000. calculate, break-even units, break-even sales, Sales to get profit, P/V ratio	2	5	12
2	Define production function. Explain its factors of production function.	2	1	12
3	Write a short notes on a) Iso quants b) Iso costs	2	1	6 6
3	Write a short notes on a) Fixed cost b) Variable cost	2	2	6 6
4	Explain the various types of internal and external economies of scale.	2	2	12
5	Explain the breakeven point and its importance	2	2	12
6	From the following information calculate a) B.E.P. units b)B.E.P.sales c)P/V Ratio d) Margin of safety. selling price 10/- per unit , variable cost 5/-per unit, fixed cost 15,000/-, actual sales 8000units	2	5	12
7	Explain the different types of cost concepts.	2	2	12

8	A firm has a fixed cost of Rs.10,000/-, selling price per unit is 5/-, and variable cost per unit is 3/- determine a) B.E.P in terms of volume and sale value b) calculate margin of safety consider that the actual production is 8000 units.	2	2	12
9	Explain the concept of Break Even Analysis with its assumptions and limitations.	2	1	12
10	Write a short notes on a) MRTS b) Cobb-Douglas production function	2	1 1	6 6

**MODULE – 3**  
**Forms of business organization & market structure**

S.NO	QUESTION	CO	BL	MARKS
1	What is a perfect and imperfect market? Describe its features	3	1	12
2	Define markets and explain how markets are classified?	3	1	12
3	Explain features of oligopoly markets. How price and output is determined	3	2	12
4	Explain features of monopolistic competition. How price and out-put is determined	3	2	12
5	Explain various pricing methods followed by business organizations	3	2	12
6	Explain the features of sole trade organization. Discuss the merits and demerits of sole trade form of organization	3	2	12
7	Explain the features, merits and limitations of Joint Stock Company	3	2	12
8	Explain features of partnership with its merits and demerits	3	2	12
9	Write the differences between sole trader and partnership.	3	2	12
10	Write a short notes on a) Market Skimming b) Market penetration c) Two-part pricing	3	2 2	4 4 4

**MODULE 4**  
**Capital & Capital Budgeting**

S.NO	QUESTION	CO	BL	MARKS
1	What is working capital? Explain the factors governing working capital requirements.	5	1	12
2	A company is considering two investment opportunities A and B that cost Rs.4,00,000 and Rs.3,00,000 respectively. The first project generates Rs.1,00,000 a year for 4 years. The second generates Rs.6,00,000, Rs.1,00,000, Rs.80,000, Rs.90,000 and Rs.70,000 over a five years period. The company's cost of capital is 8%. Which project would you choose under NPV method	5	3	12
3	Discuss working capital cycle with suitable diagram.	5	2	12
4	Explain a) Components of working capital b) Working capital cycle	5	2 2	6 6
5	Write a short notes on a) Payback period method b) ARR	5	2 2	6 6
6	Explain the concept of Capital Budgeting decisions.	5	2	12
7	Coastal software Ltd. is proposing to mechanize their operations. Two proposals M and N in form of quotations have been received from two different vendors. The proposal in each case costs Rs.5, 00,000. A discount factor of 12% is used to compare the proposals. CFAT are likely to be as under:	5	3 3 3	4 4 4

		YEAR	Proposal M	Proposal N				4
		1	1,50,000	50,000				
		2	2,00,000	1,50,000				
		3	2,50,000	2,00,000				
		4	1,50,000	3,00,000				
		5	1,00,000	2,00,000				
	Which one do you recommend under: a) Payback period method. b) Present value method. c) Net present value method							
8	Explain about a) short term finance      b) long term finance					5	2 2	6 6
9	Explain about the capital budgeting methods					5	1	12
10	What is capital? Explain its classifications					5	1	12

### **MODULE – 5**

#### **Financial Accounting & Ratio Analysis**

S.NO	QUESTION				CO	BL	MARKS
1	Briefly explain about accounting concepts and conventions.				4	2	12
2	Write short notes on a) Personal account b) Real account. c) Nominal account				4	2 2 2	4 4 4
3	Journalize following transactions 1-1-23    1. Raju invests Rs.50,000 cash. 2-1-23    2. He bought goods worth Rs10,000, from syam. 3-1-23    3. He sold goods for cash Rs.30, 000. 4-1-23    4. He paid to syam Rs10,000. 5-1-23    5. Carriage Rs. 1,000/- . 31-1-23    6. Rent paid Rs.3000/- 31-1-23    7. Salaries paid 20,000/-				4	3	12
4	What do you understand by double entry book keeping? What are its advantages?				4	1	12
5	From the following Trial Balance you are required to prepare trading and profit and loss account for the year ending March 31, 2017 and Balance Sheet on that date.						
	Particulars	Amount (₹)	Particulars	Amount (₹)			
	Opening stock	25,000	Sales	7,00,000	4	2	12
	Furniture	16,000	Creditors	72,500			
	Purchases	5,55,300	Bank Overdraft	50,000			
	Carriage Inwards	4,700	Bills payable	2,100			
	Bad debts	1,800	Discount	500			
	Wages	52,000	Capital	2,00,000			
	Debtors	80,000	Purchases Return	20,000			
	Sales Return	15,000					
	Rent	24,000					
	Miscellaneous Expenses	3,400					
	Salaries	68,000					
	Cash	8,900					
	Drawings	14,000					
	Buildings	1,60,000					
	Advertising	10,000					

	Interest on Bank Overdraft	7,000																																							
		10,45,100		10,45,100																																					
	<b>Adjustments</b> 1. Closing stock valued at ₹ 36,000. 2. Rent received in advance ₹12,000. 3. Provision for doubtful debts @ 5% on debtors. 4. Outstanding salaries ₹ 4,000. 5. Depreciate furniture by 10%.																																								
6	From the following information calculate a) Debt equity ratio b) Current ratio. <table><tr><td>DEBENTURE</td><td>Rs.</td><td>Bank balance</td><td>Rs.</td></tr><tr><td>Long term loans</td><td>1,40,000</td><td>Sundry debtors</td><td>30,000</td></tr><tr><td>General</td><td>70,000</td><td></td><td>70,000</td></tr><tr><td>Creditors</td><td>40,000</td><td></td><td></td></tr><tr><td>Bills payable</td><td>66,000</td><td></td><td></td></tr><tr><td>Share capital</td><td>14,000</td><td></td><td></td></tr><tr><td></td><td>1,20,000</td><td></td><td></td></tr></table>						DEBENTURE	Rs.	Bank balance	Rs.	Long term loans	1,40,000	Sundry debtors	30,000	General	70,000		70,000	Creditors	40,000			Bills payable	66,000			Share capital	14,000				1,20,000			4	6	6 6				
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	1,20,000																																								
7	Write a short notes on a)Liquidity Ratios b)profitability Ratios						4	1 1	6 6																																
8	Define ratio analysis? Explain its classifications.						4	2	12																																
9	Calculate Current ratio and Quick ratio from the following information Balance sheet of ABC Co.Ltd. As on 31-12-2022 <table><tr><td>LIABILITIES</td><td>AMOUNT (Rs)</td><td>ASSETS</td><td>AMOUNT (Rs)</td></tr><tr><td>Equity share capital</td><td>1,500</td><td>Plant &amp; Machinery</td><td>975</td></tr><tr><td>Debentures</td><td>400</td><td>Stock</td><td>550</td></tr><tr><td>Creditors</td><td>200</td><td>Debtors</td><td>550</td></tr><tr><td>Outstanding expenses</td><td>100</td><td>Cash in hand</td><td>375</td></tr><tr><td>Profit &amp; loss A/C</td><td>100</td><td>Prepaid expenses</td><td>50</td></tr><tr><td>Bank loan</td><td>200</td><td></td><td></td></tr><tr><td>Total</td><td>2,500</td><td></td><td>2,500</td></tr></table>						LIABILITIES	AMOUNT (Rs)	ASSETS	AMOUNT (Rs)	Equity share capital	1,500	Plant & Machinery	975	Debentures	400	Stock	550	Creditors	200	Debtors	550	Outstanding expenses	100	Cash in hand	375	Profit & loss A/C	100	Prepaid expenses	50	Bank loan	200			Total	2,500		2,500	4	3	12
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Debentures	400	Stock	550																																						
Creditors	200	Debtors	550																																						
Outstanding expenses	100	Cash in hand	375																																						
Profit & loss A/C	100	Prepaid expenses	50																																						
Bank loan	200																																								
Total	2,500		2,500																																						
10	Briefly explain about debit, credit rules of personal, real and nominal accounts.						4	2	12																																

Name & Signature of the NECN Faculty	Name & Signature of the NECG Faculty	Name & Signature of the NECN HOD	Name & Signature of the NECG HOD