III B. Tech II Semester Regular Examinations, June-2022
MANAGERIAL ECONOMICS AND FINANCIAL ACCOUNTANCY
(**Common to** Computer Science and Engineering, Information Technology)

Time: 3 hours   Max. Marks: 75

Answer any **FIVE** Questions **ONE** Question from **Each unit**
All Questions Carry Equal Marks
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UNIT-I

1. a) Discuss the nature and scope of Managerial Economics.   [8M]
    b) Narrate the law of demand and its exceptions.   [7M]

(OR)

2. a) Define and elucidate the scope of Managerial Economics.   [8M]
    b) Describe the various factors involved in Demand forecasting of a   [7M]
        product.

UNIT-II

3. a) Explain briefly Cobb-Douglas Production function.   [8M]
    b) Analyze the Internal and External economies of large scale   [7M]
        production.

(OR)

4. a) Write the characteristics of Isocosts and Isoquants.   [8M]
    b) Define and explain the managerial uses of Break Even Analysis. [7M]

UNIT-III

5. a) What are the differences between monopoly and perfect   [8M]
        competition with examples?
    b) Define and elucidate the pros and cons of Joint Stock Company.   [7M]

(OR)

6. a) Write the meaning and features of Business cycle phases.   [8M]
    b) Explain the objectives of the pricing.   [7M]

UNIT-IV

7. a) What do you understand by Double Entry System of book-   [8M]
        keeping? Explain with an example.
    b) What do you understand by the analysis and interpretation of   [7M]
        financial statements?

(OR)

8. a) Explain various accounting concepts and conventions which are   [8M]
        widely accepted.
    b) Discuss the significance of funds flow statement as a tool of   [7M]
        financial analysis.

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UNIT-V

9.   a)   Compare merits and demerits of Net Present Value Method and Internal Rate of Return Methods.   [8M]

      b)   How do you estimate cash flow? Compare merits and demerits of traditional methods and DCF methods.   [7M]

(OR)

10.   a)   What is the payback period method of evaluating capital investment proposals? What are the advantages and disadvantages of this method?   [8M]

      b)   Calculate the net present value of a project which requires an initial investment of $243,000 and it is expected to generate a cash inflow of $60,000 each month for 12 months. Assume that the salvage value of the project is $1500. The target rate of return is 12% per annum.   [7M]

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UNIT-I

1. a) What do you understand by Managerial Economics and its scope? [8M]
    b) What are the different factors involved in demand forecasting? [7M]

(OR)

2. a) Explain the nature and scope of Managerial Economics. [8M]
    b) Define demand forecasting and explain various forecasting methods. [7M]

UNIT-II

3. a) Explain Law of Variable Proportions. [8M]
    b) What are the differences between Break Even Analysis and CVP analysis? [7M]

(OR)

4. a) Explain various theories of Production Function. [8M]
    b) The ABC Brick Company manufactures a standard stone block for the building industry. The production capacity for the year is 120,000 standard blocks. The selling price per block is Rs.18/-, variable costs are Rs.6/- per brick and fixed costs are Rs.6,00,000/- per annum. Determine the break-even point in terms of sales revenue and production output. [7M]

UNIT-III

5. a) What are Monopolistic and Oligopoly competition? State their features. [8M]
    b) Examine critically the merits and limitations of a Sole Trader and Partnership organizations. [7M]

(OR)

6. a) Describe the features, merits and demerits of perfect competition. [8M]
    b) Discuss the changing business environment in post Liberalization. [7M]

UNIT-IV

7. a) Identify the Ratios that are used to find the soundness and strength of long-term financial position of a firm. [8M]
    b) Explain classification of accounts and rules of debit and credit. [7M]

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(OR)

8. a) How ratios are classified for the purpose of financial analysis? [8M]
        Illustrate any two types of ratios.
    b) Explain about cash flow statement.   [7M]

UNIT-V

9. a) What are the different Methods of evaluating capital budgeting [8M]
        projects?
    b) Compare merits and demerits of Pay Back Period and [7M]
        Accounting Rate of Return Methods.

(OR)

10. a) What are the sources of raising capital? Explain.   [8M]
    b) Determine the average rate of return for a period for a project [7M]
        which requires Cash-outlay of Rs.10,000 and generates cash
        inflows of Rs.2,000, Rs.4,000, Rs.3,000 and Rs.2, 000 in the
        first, second, third, and fourth year respectively.

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UNIT-I

1. a) What is the importance and uses of Managerial Economics to Engineers? How can use these concepts to Civil Engineering? [8M]
   b) What is elasticity of demand? Explain the various types of elasticity. [7M]

(OR)

2. a) Define Managerial Economics and explain its relationship with other subjects. [8M]
   b) Describe the qualitative methods of demand forecasting. [7M]

UNIT-II

3. a) Explain the production function and what are the assumptions in it? [8M]
   b) Explain, compare and contrast incremental cost versus sunk cost. [7M]

(OR)

4. a) State and explain the theory of law of variable proportions. [8M]
   b) Determine BEP, P/V Ratio and Sales level for a profit of Rs.25.00 Lakhs, if Fixed Cost is Rs.35.00 Lakhs, Sales is Rs.185.00 Lakhs and Variable Cost is Rs.180.00 Lakhs. [7M]

UNIT-III

5. a) Explain the Marris managerial theory of a firm. [8M]
   b) State the conditions under which Penetration and Skimming Pricing strategies can be followed. [7M]

(OR)

6. a) What do you understand by pricing? What are the important objectives of pricing? [8M]
   b) What is a joint stock company? What are the advantages and disadvantages of this form? [7M]

UNIT-IV

7. a) Describe the advantages and disadvantages of double entry book keeping. [8M]
   b) What is a Trial Balance and explain the procedure adopted while finalizing accounts of a business unit with the help of a valid trial balance? [7M]

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(OR)

8. a) Distinguish between funds flow and cash flow statements. [8M]
   b) Explain classification of accounts and rules of debit and credit. [7M]

UNIT-V

9. a) Compare merits and demerits of Net Present Value Method & [8M]
   Internal Rate of Return Methods.
   b) How do you estimate cash flow? Compare merits and demerits of [7M]
   traditional methods and DCF methods.

(OR)

10. a) Outline the significance of capital budgeting. [8M]
    b) The initial cash outlay of a project is Rs.50, 000 and it generates [7M]
    cash inflows of Rs.20, 000, Rs.15, 000, Rs. 25, 000 and Rs.10,
    000 in four years. Using profitability index method, appraise
    profitability of the proposed investment assuming 10% rate of
    discount.

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UNIT-I

1. a) Explain the scope of Managerial Economics and its uses. [8M]
   b) Write and explain the types of demand. [7M]

(OR)

2. a) Define Managerial Economics and its relevance to Civil Engineering applications. [8M]
   b) Explain the concept of Supply and Law of Supply. [7M]

UNIT-II

3. a) List different internal and external economies of scale for construction companies like L&T and MEIL. [8M]
   b) What is Cost-Volume-Profit analysis and explain its features. [7M]

(OR)

4. a) Describe the features of Isocosts, Isoquants and choice of least cost factor. [8M]
   b) Explain various cost concepts with suitable examples. [7M]

UNIT-III

5. a) Differentiate the features of Monopolistic and Oligopolistic Markets. [8M]
   b) What are Public Enterprises? Explain its features. [7M]

(OR)

6. a) What is Business Cycle? Explain the phases with the help of a diagram. [8M]
   b) Enumerate the various methods of pricing. [7M]

UNIT-IV

7. a) What are the different types of ledger accounts? Give at least two examples for each. [8M]
   b) Identify the Ratios that are used to find the soundness and strength of long-term financial position of a firm. [7M]

(OR)

8. a) Distinguish Funds Flow Statement and Cash Flow Statement. [8M]
   b) Explain the meaning, importance and objectives of funds flow statement. [7M]

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UNIT-V

9. a) What are the different methods of evaluating capital budgeting projects? [8M]

    b) How is capital classified? Explain in detail various sources of mobiliship, total capital needed by an organization. [7M]

(OR)

10. a) What are the sources of raising long-term capital for a business enterprise? [8M]

    b) What is NPV? How it calculates and explains the acceptance rule of NPV? [7M]

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