

III B. Tech I Semester Regular Examinations, February-2022
MANAGERIAL ECONOMICS AND FINANCIAL ACCOUNTANCY
(Mechanical Engineering)

Time: 3 hours

Max. Marks: 75

Answer any **FIVE** Questions **ONE** Question from **Each unit**

All Questions Carry Equal Marks

UNIT-I

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| 1. a) Explain the scope of managerial economics. | [8M] |
| b) Define managerial economics and explain its relation with other subjects. | [7M] |

(OR)

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| 2. a) What are the determinants of demand? | [8M] |
| b) Define price elasticity of demand and explain its types. | [7M] |

UNIT-II

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| 3. a) Briefly explain the theories of production function. | [7M] |
| b) Explain the law of variable proportions with a diagram. | [8M] |

(OR)

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| 4. a) Differentiate between Isoquants and Isocosts. | [8M] |
| b) Define the concept choice of least cost factor combination. | [7M] |

UNIT-III

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| 5. a) Briefly explain price determination under perfect competition. | [8M] |
| b) Define managerial theories of a firm. | [7M] |

(OR)

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| 6. a) Describe Marris and Williamson's model. | [8M] |
| b) Discuss about the methods of pricing? | [7M] |

UNIT-IV

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| 7. a) Explain the concept double entry system. | [8M] |
| b) Illustrate the Performa of Trading account. | [7M] |

(OR)

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| 8. a) Mention the types of ratios. Explain the probability ratios and activity ratios. | [8M] |
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- b) Prepare Trading account from the following ledger balances [7M] presented by P. Sen as on 31st March, 2016.

Particulars	Rs.	Particulars	Rs.
Stock (1-4-15)	10,000	Sales	3,00,000
Purchases	1,60,000	Return inwards	16,000
Wages	30,000	Return outwards	10,000
Carriage Inwards	10,000	Gas & Fuel	8,000
Freight Inwards	8,000		

Additional information:

- i) Stock on 31st March, 2016 Rs.20,000
- ii) Outstanding wages amounted to Rs.4,000
- iii) Gas and fuel was paid in advance for Rs.1,000

UNIT-V

9. a) What are the techniques of capital budgeting? [8M]
 b) Describe the methods of appraising project profitability. [7M]

(OR)

10. a) Briefly explain the concepts Net Present Value and Internal rate of Return. [8M]
 b) Explain the concept of Profitability Index. [7M]

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