

Code: 13A52501

R13

B.Tech III Year I Semester (R13) Regular & Supplementary Examinations November/December 2016

MANAGERIAL ECONOMICS & FINANCIAL ANALYSIS

(Common to CSE and EEE)

Time: 3 hours

Max. Marks: 70

PART – A

(Compulsory Question)

- 1 Answer the following: (10 X 02 = 20 Marks)
- (a) Define Managerial Economics.
 - (b) What is price elasticity of demand?
 - (c) Give marginal rate of Technical Substitution.
 - (d) Explain Opportunity vs Outlay costs
 - (e) What is meant by Price Discrimination?
 - (f) Explain public company vs private company.
 - (g) Explain working capital cycle.
 - (h) What is meant by Profitability Index?
 - (i) What are Subsidiary Books?
 - (j) What is Journal?

PART – B

(Answer all five units, 5 X 10 = 50 Marks)

UNIT – I

- 2 Explain how do you measure elasticity of demand. How do you interpret the different types of elasticity?

OR

- 3 Evaluate Survey based demand forecasting methods with appropriate examples.

UNIT – II

- 4 Explain the laws of Returns with appropriate examples.

OR

- 5 Explain the features of short run average cost curve and long run average cost curve.

UNIT – III

- 6 Explain strategy based pricing methods.

OR

- 7 Evaluate sole trader form of organization.

UNIT – IV

- 8 Explain the factors affecting the requirements of working capital.

OR

- 9 Project A requires an investment of Rs 5, 00,000 and has a scrap value of Rs 20,000. After 5 years it is expected to yield profits after depreciation and taxes during the 5 years amounting to Rs 40,000, Rs 60,000, Rs 70,000, Rs 50,000, Rs 20,000 .Calculate the average rate of return.

Contd. in page 2

UNIT - V

- 10 From the following information Calculate: (i) Gross Profit Ratio. (ii) Working Capital Turnover Ratio. (iii) Debt Equity Ratio.

	Rs
Net Sales	30,00,000
Cost of goods sold	20,00,000
Current Assets	6,00,000
Current Liabilities	2,00,000
Paid up share capital	5,00,000
Debentures	2,50,000
Loans	1,25,000

OR

- 11 Prepare Trading and Profit and loss account and a Balance sheet as on 31st March, 2004 from the under Mentioned Trail balance of M/s Sahni Bros
Closing stock was Valued at Rs 9,000

Trail Balance
As on 31st March 2004

Ledger Accounts	Debit Rs	Credit Rs
Opening Stock	10,000	
Purchases and sales	20,000	40,000
Returns	2000	1000
Discounts	1000	2000
Capital and Drawings	5000	65000
Cash and Bank Overdraft	7000	12,000
Debtors and Creditors	19,000	12,000
Carriage and Cartage	3,000	
Freight Outward	4,000	
Salaries and wages	6,000	
Stationery	4,000	
Land and Building	35,000	
Plant and Machinery	15,000	
Fixtures and Fittings	5,000	
Bills Receivable and Payable	6,000	4,000
General Reserve		6,000
	1,42,000	1,42,000
