

Code: 13A52701

R13

B.Tech IV Year I Semester (R13) Regular Examinations November/December 2016

MANAGERIAL ECONOMICS & FINANCIAL ANALYSIS

(Civil Engineering)

Time: 3 hours

Max. Marks: 70

PART - A

(Compulsory Question)

- 1 Answer the following: (10 X 02 = 20 Marks)
- (a) What is law of demand?
 - (b) What is the role of managerial economist?
 - (c) What is Cobb-Douglas production function?
 - (d) What is margin of safety?
 - (e) What is monopoly?
 - (f) What is a partnership?
 - (g) Why final account is prepared?
 - (h) What is turnover ratio?
 - (i) What is working capital?
 - (j) How a finance can be sourced in a company?

PART - B

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

UNIT - I

- 2 Discuss the nature & scope of managerial economics.

OR

- 3 What is elasticity of demand? Explain the types of elasticity of demand.

UNIT - II

- 4 Explain internal and external economics of scale.

OR

- 5 What is Break – Even analysis? State its merits and demerits.

UNIT - III

- 6 What are the pricing methods and explain it?

OR

- 7 What is joint-stock company? Mention its features and what are the stages to form a joint stock company.

Contd. in page 2

UNIT - IV

8 Enter the following transactions in the journal of Ramesh, and post them to the Ledger.

2006		Rs.
Jan.	1 Assets in hand: Cash Rs. 630; cash at bank Rs. 23,100; Stock of goods; Rs. 26,400; M.&Co., Rs. 6,750. Liabilities: Marathi & Co. Rs. 3,880; Ram & sons Rs. 3000.	
„	2 Received a cheque from M. & Co. in full settlement	6,650
„	4 Sold goods to Chand & sons on credit	1,440
	Carriage paid	35
	Sold goods to G. & Co. for cash	3,120
„	5 Brought goods from Ram & sons on credit	4,000
	Paid Marathi & Co. by cheque in full settlement	3,800
„	6 Bought goods from Chatterjee	6,300
„	13 Returned goods to Chatterjee (not being up to specifications)	300
„	16 Goods used personally by proprietor	50
„	17 Sold goods to M. & Co	5,000
„	20 Cheque received from Chand & sons	1,440
„	22 Bank advises Chand & sons cheque returned unpaid	
„	24 Cash deposited with bank	2,000
„	27 Cheque sent to Chatterjee (discount allowed Rs. 150)	5,850
„	31 Paid salaries	600
	Paid rent	300
	Drew for personal use out of bank	500

OR

9 What are the advantages and disadvantages of ratio analysis?

UNIT - V

10 What are the techniques in capital budgeting?

OR

11 Prepare a statement of changes in working capital from the following balance sheets of Manjit and company limited.

BALANCE SHEETS as
On 31st March

Liabilities	2001 Rs.	2002 Rs.	Assets	2001 Rs.	2002 Rs.
Equity capital	5,00,000	5,00,000	Fixed assets	6,00,000	7,00,000
Debentures	3,70,000	4,50,000	Long-term		
Tax payable	77,000	43,000	Investments	2,00,000	1,00,000
Accounts payable	96,000	1,92,000	Work-in-progress	80,000	90,000
Interest payable	37,000	45,000	Stock-in-trade	1,50,000	2,25,000
Dividend payable	50,000	35,000	Account receivable	70,000	1,40,000
			cash	30,000	10,000
	11,30,000	12,65,000		11,30,000	12,65,000
