

II B. Tech II Semester Supplementary Examinations, Nov/Dec-2016
MANAGERIAL ECONOMICS AND FINANCIAL ANALYSIS
(Com. to CE, EIE)

Time: 3 hours

Max. Marks: 70

- Note: 1. Question Paper consists of two parts (**Part-A** and **Part-B**)
2. Answer **ALL** the questions in **Part-A**
3. Answer any **THREE** Questions from **Part-B**
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PART – A

1. a) Explain the types of demand.
b) Explain Explicit Costs Vs. Implicit Costs.
c) Explain the salient features of oligopoly.
d) Describe the salient features of sole trader.
e) Explain the importance of accounting and financial analysis.
f) Explain the meaning of capital budgeting. (3M+4M+4M+4M+4M+3M)

PART – B

2. a) Define Managerial Economics and explain its scope.
b) What is Elasticity of demand? And explain its types and measurement of Price elasticity of demand. (7M+9M)
3. a) What is Production function? Explain the Cobb-Douglas Production function.
b) Explain the salient features of Break-even analysis. (8M+8M)
4. a) Explain different market structures and salient features of perfect completion.
b) Describe the limit pricing and market skimming pricing. (8M+8M)
5. a) What is business? And explain the salient features of partnership.
b) Explain the meaning and salient features of business cycles. (8M+8M)
6. a) Briefly explain the different techniques of capital budgeting.
b) Explain any two methods of traditional capital budgeting. (8M+8M)

7. a) Explain the importance of ratio analysis.
 b) Given are the Balance Sheets of ABC Limited. You are required to prepare a Funds Flow Statement.

	As on 31 st March, 2013 (Rs)	As on 31 st March, 2014 (Rs)
Fixed assets at cost	7,00,000	8,70,000
Less: depreciation	2,56,000	3,60,000
Net fixed assets (A)	4,50,000	5,10,000
<i>Current assets</i>		
Investments (temporary)	1,00,000	1,50,000
Closing inventory	18,15,000	19,00,000
Sundry debtors	13,15,000	13,87,000
Total of current assets (B)	32,30,000	34,37,000
<i>Less: Current liabilities</i>		
Bank overdraft	11,60,000	5,50,000
Trade creditors and provision	9,98,000	11,92,000
Proposed dividend	1,60,000	2,40,000
Total current liabilities (C)	23,18,000	19,82,000
Working capital (D) = (B) – (C)	9,12,000	14,55,000
Net fixed assets + Net Working Capital (A) + (D)	13,62,000	19,65,000
<i>Represented by</i>		
Ordinary share capital	7,56,000	10,00,000
General Reserve	2,60,000	3,80,000
Profit and Loss Account	3,52,000	4,85,000
8 % Debentures	---	1,00,000
	13,62,000	19,65,000

(4M+12M)