

MANAGERIAL ECONOMICS & FINANCIAL ANALYSIS

(Common to CSE, ME & IT)

Time: 3 hours

Max. Marks: 70

PART - A
(Compulsory Question)

- 1 Answer the following: (10 X 02 = 20 Marks)
- (a) Write the nature of managerial economics?
 - (b) Define elasticity of demand.
 - (c) Explain isocosts.
 - (d) Give the limitations of BEP.
 - (e) When do you call the competition as imperfect competition?
 - (f) List out advantages of privatization.
 - (g) Give the significance of ratio analysis.
 - (h) What are the advantages of financial accounting?
 - (i) What is source of capital?
 - (j) Give the features of capital budgeting.

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

UNIT - I

2 Discuss the significance and characteristics of managerial economics.

OR

3 What is the purpose of forecasting? Discuss the factors involved in demand forecasting.

UNIT - II

4 Define production function. Explain the nature and managerial uses of production function.

OR

5 Explain the features, significance, benefits of break even analysis and its limitations.

UNIT - III

6 Discuss the meaning and main features of monopolistic market situation. Draw a diagram to show equilibrium of the firm with excess capacity.

OR

7 Discuss various techniques of price formulation in actual business situation.

UNIT - IV

8 Define financial accounting. Explain the need, significance and advantages of financial accounting.

OR

9 What is ratio? Explain various types of ratios used in financial analysis.

UNIT - V

10 Elucidate the nature of capital budgeting problem and what are the principle methods of ranking alternative investment proposals.

OR

11 Consider the projects and some relevant data.

Project	Annual cash flow	Original investment	Life in years	PV factor at 10%
A	12000	60000	15	7.7688
B	15000	20,500	10	6.3212