

Code: 15A52301

R15/SS

B.Tech II Year II Semester (R15) Regular & Supplementary Examinations May/June 2018

MANAGERIAL ECONOMICS & FINANCIAL ANALYSIS

(Common to CE, EEE and ME)

Time: 3 hours

Max. Marks: 70

PART – A
(Compulsory Question)

- 1 Answer the following: (10 X 02 = 20 Marks)
- (a) Define Giffen goods?
 - (b) Write short notes on price elasticity of demand.
 - (c) State margin of safety.
 - (d) Differentiate between implicit and explicit cost.
 - (e) Define market skimming.
 - (f) What is subsidiary company?
 - (g) Define single entry book-keeping.
 - (h) What is the difference between Bookkeeping and Accounting?
 - (i) What are the liquidity ratios?
 - (j) Give the classification of capital.

PART – B

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

UNIT – I

- 2 What is meant by elasticity of demand? How do you measure it?

OR

- 3 Define managerial economics. Explain its nature and scope.

UNIT – II

- 4 Define production function. Differentiate between Isocosts and Isoquants.

OR

- 5 What is the economies of scale? How economies of scale can be achieved?

UNIT – III

- 6 What is monopoly? How is price determined under monopoly?

OR

- 7 Define the sole trade form of organization and differentiate between sole trade and partnership.

UNIT – IV

- 8 Give an account on:
- (a) Outstanding expenses.
 - (b) Prepaid expenses.
 - (c) Income received in advance.
 - (d) Accrued income.

OR

- 9 Define working capital. How do you estimate the fixed and working capital requirements of an industrial unit?

UNIT – V

- 10 As a financial analyst, what precautions would you take while interpreting ratios meaningfully?

OR

- 11 Calculate the working capital turnover ratio from the following information:

Net capital employed Rs.4, 00,000

Total Sales Rs.7, 00,000

Sales returns Rs.1, 00,000

Net fixed assets Rs.2, 50,000

There were no long term investments.
