Code: 15A52301 **R15**

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

MANAGERIAL ECONOMICS & FINANCIAL ANALYSIS

(Electronics and Communication Engineering)

Time: 3 hours Max. Marks: 70

PART – A

(Compulsory Question)

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1 Answer the following: (10 X 02 = 20 Marks)

(a) Write about natures of managerial economics.
(b) Explain the demand function.
(c) Explain the isoquants.
(d) What is cost?
(e) Describe the imperfect competition.
(f) Explain the partnership.
(g) Explain the ledger.
(h) What is a ratio?
(i) What is capital budgeting.
(j) What is ARR method of capital budgeting.

PART – B

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

UNIT – I

2 Explain the relationship of managerial economics with financial accounting and management.

OR

3 What are the factors governing demand forecasting?

UNIT – II

4 Explain the Cobb Douglas production function.

OR

5 Write the limitations of Break Even Point.

UNIT – III

6 Explain the strategic decision making in oligopoly markets.

OR

7 Write the difference between partnership and joint stock companies.

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UNIT – IV

8 The following trial balance has been extracted from the books of Mr. Bhaskar on 31.03.2003.

Trial balance

Particulars	Debit (Rs.)	Credit (Rs)
Machinery	40,000	
Cash at bank	10,000	
Cash in hand	5,000	
Wages	10,000	
Purchases	80,000	
Stock (01.04.2002)	60,000	
Sundry debtors	40,000	
Bills debtors	29,000	
Rent	4,000	
Interest on bank loan	500	
Commission received		3,000
General expenses	12,000	
Salaries	7,500	
Discount received		4,000
Capital		90,000
Sales		1,20,000
Bank loan		40,000
Sundry creditors		40,000
Purchase return		5,000
sales return		4,000

Adjustments:
(i) Closing stock = Rs. 80,000.
(ii) Interest on bank loan not yet paid = Rs. 400.
(iii) Commission received in advance = Rs. 1,000.
Prepare trading and profit and loss account for the year ended 31.03.2003 and balance sheet as on that date after giving effect to the above adjustment.

OR

9 Explain the liquidity ratio and leverage ratios.

UNIT – V

10 Tulsian provides the following information:
(i) Purchase price of machine = Rs. 80,000
(ii) Installation charges = Rs. 20,000
(iii) Estimated salvage value at the end of useful life = Rs. 40,000
(iv) Useful life = 4 years
(v) Working capital required = Rs. 10,000
(vi) Annual earnings before depreciation and tax = Rs. 65,000
(vii) Tax rate = 30%
Calculate the Accounting Rate of Return if the method of depreciation is Straight line method.

OR

11 What are the sources of long term and short term finance?

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