

B.Tech III Year II Semester (R15) Supplementary Examinations December/January 2018/19  
**MANAGERIAL ECONOMICS & FINANCIAL ANALYSIS**  
 (Electronics & 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)
- Define managerial economics.
  - What do you mean by elasticity of demand?
  - Define cost analysis.
  - The fixed costs at company X are 1 million annually. The main product has revenue of 8.90 per unit and 4.50 variable cost. (i) Determine the breakeven quantity per year. (ii) Annual profit if 200000 units are sold.
  - What are the pricing objectives?
  - What is monopolistic competition?
  - What is oligopoly?
  - Write a short note on financial statement analysis.
  - Define capital budgeting.
  - What is IRR?

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

**UNIT – I**

- 2 Explain the law of demand in detail.

OR

- 3 Explain the various methods of demand forecasting.

**UNIT – II**

- 4 Explain Cobb-Douglas production function.

OR

- 5 How do you determine BEP? Show graphical presentation of BEA.

**UNIT – III**

- 6 Give brief notes about price-output determination in monopolistic competition.

OR

- 7 Explain the various pricing methods and its strategy.

**UNIT – IV**

- 8 From the following particulars extracted from the books of ABC Ltd., compute the following ratios and comment: (i) Current ratio. (ii) Acid test ratio. (iii) Stock-turnover ratio. (iv) Debtors turnover ratio. (v) Creditors' turnover ratio and average debt collection period.

	1-1-2012	31-12-2012
	Rs.	Rs.
Bills receivable	30,000	60,000
Bills payable	60,000	30,000
Sundry debtors	1,20,000	1,50,000
Sundry creditors	75,000	1,05,000
Stock-in-trade	96,000	1,44,000

Additional information:

- (i) On 31-12-2002, there were assets: Building Rs.2,00,000, Cash Rs.1,20,000 and cash at bank Rs.96,000. (ii) Cash purchases Rs.1,38,000 and purchases returns were Rs.18,000. (iii) Cash sales Rs.1,50,000 and sales returns were Rs.6,000. Rate of gross profit 25% on sales and actual gross profit was Rs.1,50,000.

OR

B.Tech III Year II Semester (R13) Regular Examinations May/June 2016

**MANAGERIAL ECONOMICS & FINANCIAL ANALYSIS**

(Common to ME, ECE and EIE)

Time: 3 hours

Max. Marks: 70

**PART – A**  
(Compulsory Question)

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

- Define the Law of Demand.
- Give examples of complementary goods and substitute goods.
- What are the diseconomies of scale?
- Define production function.
- Define partnership and joint stock company.
- Write about few types of costs.
- What is fixed capital and working capital?
- The cost of a project is Rs. 5, 00, 000/- and the annual cash inflows are 2 lakhs for the next 5 years. What is the payback period?
- Briefly write about capital budgeting.
- Write about any three liquidity ratios.

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

**UNIT – I**

- What is relationship of Managerial Economics with other disciplines of management?
  - What are the factors that determine the demand for a product or service?

OR

- What are the different types of Demand Elasticity? Explain them.

**UNIT – II**

- Define Law of Variable Proportions. What are the internal and external economics of scale?

OR

- What are the applications and limitations of Break-Even Analysis?
  - A firm has fixed cost of Rs. 50,000/-, selling price is Rs. 100 and variable cost is Rs. 30. Determine the Break-Even point in volume and sales.

**UNIT – III**

- What are the different types of Imperfect Competition Market structures? Explain.

OR

- Explain the Strategy-based Pricing Strategies. Also explain the new economic environment post liberalization.

**UNIT – IV**

- What are the different types of Fixed Capital and Working Capital? Give examples.

OR

- Determine Payback period, ARR and Net present value at a discount factor of 10%.

Description	Adjusted cash inflows
Initial cash out flow	2,50,000
1 <sup>st</sup> year	75,000
2 <sup>nd</sup> year	80,000
3 <sup>rd</sup> year	95,000
4 <sup>th</sup> year	65,000
5 <sup>th</sup> year	85,000
5 <sup>th</sup> year scarp value	50,000

Contd. in page 2

**UNIT – V**

- 10 Calculate Debtors turnover and inventory turnover ratios from the following information: (INR)

Debtors opening balance	4,00,000
Debtors closing balance	6,00,000
Credit sales	80%
Opening stock	1,00,000
Closing stock	3,00,000
Total sales (cash + credit)	25,00,000
Gross profit on sales	20%
No. of days in year	360

**OR**

- 11 From the following trial balance of Rama as at 31<sup>st</sup> March 2007, prepare trading and profit and loss account for the year ended 31<sup>st</sup> March 2007. Trial Balance of Rama (as on 31<sup>st</sup> March 2007)

Particulars	Debit amount in Rs	Credit amount in Rs
Stock	45,000	
Plant and Machinery	75,000	
Purchases	2,25,000	
Trade charges	10,000	
Carriage inwards	2,500	
Capital		75,000
Carriage outwards	1,500	
Factory rent	1,500	
Discount	350	
Sales		4,20,750
Bills payable		2,000
Insurance	700	
Sunday debtors	60,000	
Office rent	3,000	
Printing and stationery	600	
Travelers salaries	2,800	
Advertising	15,000	
Sunday creditors		15,000
Bills receivables	6,000	
Bad debts provision		200
Drawings	6,000	
Salaries	15,000	
Wages	20,000	
Furniture	7,500	
Coal and gas	1,000	
Cash in hand	2,000	
Cash at bank	12,500	
	5,12,950	5,12,950

Adjustments: (i) Closing stock Rs. 35,000.

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B.Tech III Year II Semester (R13) Regular Examinations May/June 2016

**MANAGERIAL ECONOMICS & FINANCIAL ANALYSIS**

(Common to ME, ECE and EIE)

Time: 3 hours

Max. Marks: 70

**PART – A**  
(Compulsory Question)

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

- (a) Define the Law of Demand.
- (b) Give examples of complementary goods and substitute goods.
- (c) What are the diseconomies of scale?
- (d) Define production function.
- (e) Define partnership and joint stock company.
- (f) Write about few types of costs.
- (g) What is fixed capital and working capital?
- (h) The cost of a project is Rs. 5, 00, 000/- and the annual cash inflows are 2 lakhs for the next 5 years. What is the payback period?
- (i) Briefly write about capital budgeting.
- (j) Write about any three liquidity ratios.

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

**UNIT – I**

- 2 (a) What is relationship of Managerial Economics with other disciplines of management?
- (b) What are the factors that determine the demand for a product or service?

**OR**

3 What are the different types of Demand Elasticity? Explain them.

**UNIT – II**

4 Define Law of Variable Proportions. What are the internal and external economics of scale?

**OR**

- 5 (a) What are the applications and limitations of Break-Even Analysis?
- (b) A firm has fixed cost of Rs. 50,000/-, selling price is Rs. 100 and variable cost is Rs. 30. Determine the Break-Even point in volume and sales.

**UNIT – III**

6 What are the different types of Imperfect Competition Market structures? Explain.

**OR**

7 Explain the Strategy-based Pricing Strategies. Also explain the new economic environment post liberalization.

**UNIT – IV**

8 What are the different types of Fixed Capital and Working Capital? Give examples.

**OR**

9 Determine Payback period, ARR and Net present value at a discount factor of 10%.

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Initial cash out flow	2,50,000
1 <sup>st</sup> year	75,000
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Gross profit on sales	20%
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**OR**

- 11 From the following trial balance of Rama as at 31<sup>st</sup> March 2007, prepare trading and profit and loss account for the year ended 31<sup>st</sup> March 2007. Trial Balance of Rama (as on 31<sup>st</sup> March 2007)

Particulars	Debit amount in Rs	Credit amount in Rs
Stock	45,000	
Plant and Machinery	75,000	
Purchases	2,25,000	
Trade charges	10,000	
Carriage inwards	2,500	
Capital		75,000
Carriage outwards	1,500	
Factory rent	1,500	
Discount	350	
Sales		4,20,750
Bills payable		2,000
Insurance	700	
Sunday debtors	60,000	
Office rent	3,000	
Printing and stationery	600	
Travelers salaries	2,800	
Advertising	15,000	
Sunday creditors		15,000
Bills receivables	6,000	
Bad debts provision		200
Drawings	6,000	
Salaries	15,000	
Wages	20,000	
Furniture	7,500	
Coal and gas	1,000	
Cash in hand	2,000	
Cash at bank	12,500	
	5,12,950	5,12,950

Adjustments: (i) Closing stock Rs. 35,000.

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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?

**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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B.Tech IV Year I Semester (R13) Supplementary Examinations June 2017  
**MANAGERIAL ECONOMICS & FINANCIAL ANALYSIS**  
(Civil 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) What is macro economics?
- (b) Define law of demand.
- (c) Distinguish between estimation and forecasting.
- (d) What is opportunity cost?
- (e) What is monopoly market?
- (f) What is partnership deed?
- (g) What is capital budgeting.
- (h) Write short note on going concern concept.
- (i) Calculate working capital.  
Stock - Rs.50,000  
Cash - Rs.10,000  
Debtors - Rs.15,000  
Creditors - Rs.30,000  
Bank Overdraft - Rs.5,000.(C06)
- (j) Compute gross profit.  
Opening stock - Rs.60,000  
Purchases - Rs.30,000  
Wages - Rs.5,000  
Sales - Rs. 2,00,000  
Closing Stock - Rs.40,000.

**PART – B**

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

**UNIT – I**

2 Explain demand forecasting methods.

**OR**

3 Narrate demand determinants for FMCG products.

**UNIT – II**

4 Quote the law of variable proportion (LVP) with help of graph.

**OR**

5 Calculate a P/V ratio and BEP.

Year	Sales	Profit
2013	Rs. 2,50,000	Rs. 40,000
2014	Rs. 3,00,000	Rs. 45,000

**UNIT – III**

6 Explain the different types and significance of financial ratios.

**OR**

7 What are the features of Sole Trader? Explain merits and demerits.

Contd. in page 2



**UNIT – IV**

- 8 A project involves initial outlay of Rs. 2.60,000 its expected life is 5 years. The cash inflows are likely to be as follows.

Years	Cash inflows (Rs.)
1	100000
2	80000
3	70000
4	50000
5	40000

You are required to compute Pay-back period.

**OR**

- 9 Determine NPV and Profitability Index.

Description	Cash inflows	PV factor@10%
Initial cash outflow	3,00,000	1.00
1 <sup>st</sup>	90000	0.909
2 <sup>nd</sup>	100000	0.826
3 <sup>rd</sup>	125000	0.751
4 <sup>th</sup>	75000	0.683
5 <sup>th</sup>	110000	0.621
5 <sup>th</sup> scrap value	25000	0.621

**UNIT – V**

- 10 From the following information prepare Trading and Profit and Loss account for the year ended 31<sup>st</sup> Dec. 2007 and Balance sheet as on that date.

Capital	30,000	duty and clearing charges	3,500
Drawings	6,000	Sales	1,28,000
sundry creditors	43,000	Salaries	9,500
Bills payable	4,000	Returns from customers	1,000
Sundry debtors	51,000	Returns to creditors	1,100
Bills receivable	5,000	Commission & travelling exp.	4,700
Loans and advances	12,000	General exp.	2,500
Fixtures and fittings	8,500	Rent paid	2,000
Opening stock	47,000	Commission received	4,000
Cash in hand	900	O.D with bank	6,000
Cash at bank	12,500	Purchases	50,000

Adjustments: (i) Closing stock Rs. 50,000. (ii) Outstanding salaries Rs. 500.

**OR**

- 11 Explain briefly solvency and profitability ratios.

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9 Explain the various functions of financial accounting.

**UNIT – V**

10 Explain the significance of capital budgeting and explain why capital budgeting is necessary.

**OR**

11 Determine payback period, accounting rate of return for the following information:

Year	Investment	2011	2012	2013	2014	2015	Scrap
Cash flow (Rs.Lakhs)	30.00	7.00	6.50	8.50	3.00	5.75	5.00

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B.Tech III Year II Semester (R13) Regular & Supplementary Examinations May/June 2017

**MANAGERIAL ECONOMICS & FINANCIAL ANALYSIS**

(Common to ME, ECE and EIE)

Time: 3 hours

Max. Marks: 70

**PART – A**  
(Compulsory Question)

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- 1 Answer the following: (10 X 02 = 20 Marks)
- Write the characteristics of ME.
  - What is price elasticity of demand?
  - What is marginal rate of technical substitution?
  - Explain opportunity cost and accounting cost.
  - Write the features of perfect competitions.
  - What is subsidiary company?
  - What is fixed capital? Explain its features.
  - What do you mean by time value of money?
  - Define current ratio and liquid ratio.
  - Give the classification of capital.

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

**UNIT – I**

- 2 Why do demand curve slopes downward to the right in Law of demand. What are the exceptions of law of demand?

OR

- 3 What are the different techniques for forecasting demand? Explain them.

**UNIT – II**

- 4 Explain the law of returns to scale.

OR

- 5 Explain BEP, Margin of safety with neat diagrams and limitations of BEA.

**UNIT – III**

- 6 Explain determination of price-output under monopolistic competition with diagram.

OR

- 7 Explain the characteristics of sole proprietorship and list out the advantages and disadvantages of sole proprietorship.

**UNIT – IV**

- 8 Calculate the Average Rate of Return for Projects A & B from the following details.

	Project – A	Project – B
Investment	Rs. 30,000	Rs. 48,000
Expected life (no salvage value)	5 years	5 years

OR

- 9 Explain net present value technique of capital budgeting.

Contd. in page 2

**UNIT – V**

10 From the following information calculate: (i) Gross project ratio. (ii) Stock turnover ratio.

	Rs.		Rs.
Sales	1,50,000	Cost of goods sold	1,20,000
Opening stock	27,000	Closing stock	33,000
Debtors	14,000	Bills Receivable	6,000

**OR**

11 Following is the information from the books of Rajendra Bros. as on 31<sup>st</sup> Dec., 2004. Pass closing journal entries and prepare trading account.

	Rs.		Rs.
Opening stock	5,000	Sales Return	400
Sales A/c	20,000	Manufacturing expenses	100
Purchases Return	200	Octroi	500
Wages A/c	4,000	Motive Power	700
Carriage inward	300	Purchases A/c	8,000
Closing stock (31 Dec. 2004) Rs.2,000			

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B.Tech II Year I Semester (R15) Supplementary Examinations June 2017  
**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)
- Write the nature of managerial economics?
  - Define elasticity of demand.
  - Explain isocosts.
  - Give the limitations of BEP.
  - When do you call the competition as imperfect competition?
  - List out advantages of privatization.
  - Give the significance of ratio analysis.
  - What are the advantages of financial accounting?
  - What is source of capital?
  - 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	4500	20,500	10	6.3213

Rank this project following payback and NPV methods.