

Code No: 113BV

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JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD

B.Tech II Year I Semester Examinations, November - 2015

MANAGERIAL ECONOMICS AND FINANCIAL ANALYSIS

(Common to CE, CEE)

Time: 3 Hours

Max. Marks: 75

Note: This question paper contains two parts A and B.
Part A is compulsory which carries 25 marks. Answer all questions in Part A.
Part B consists of 5 Units. Answer any one full question from each unit.
Each question carries 10 marks and may have a, b, c as sub questions.

PART- A

(25 Marks)

- 1.a) What are the principal determinants of Demand? [2M]
- b) Why do you compute Elasticity of Demand for a product? [3M]
- c) What is the importance of Isocost curves? [2M]
- d) Distinguish between Fixed cost and Variable Cost. [3M]
- e) What are the features of Monopoly? [2M]
- f) Bring out the limitations of Sole Proprietor. [3M]
- g) How is Capital classified? For what purpose they can be employed? [2M]
- h) Why is Cash Budget prepared? [3M]
- i) How are Ledger accounts classified? Give suitable examples. [2M]
- j) What are the objectives of preparing a Trial Balance? [3M]

PART-B

(50 Marks)

- 2.a) Define Managerial Economics and point out its chief characteristics.
- b) State and explain the Law of Demand. [5+5]

OR

- 3.a) Define Elasticity of Demand. Explain different types of Price Elasticity of Demand.
- b) Examine the 'Trend Projection' method and 'Collective Opinion' method of Demand forecasting. [5+5]

- 4.a) Explain Cobb-Douglas Production function.
- b) Illustrate the Laws of Returns to Scale and comment on their managerial significance. [5+5]

OR

- 5.a) Discuss various types of Internal economies available to a firm.
- b) Explain the managerial uses of Break-Even analysis. What are its limitations? [5+5]

- 6.a) What are the main features of Perfect Competition?
- b) What methods do businessmen employ while setting prices? [5+5]

OR

- 7.a) Evaluate Partnership form of business organization.
- b) Discuss briefly the changing business environment during Post-Liberalization Scenario. [5+5]

- 8.a) Differentiate between Fixed Capital and Working Capital.
 b) What are the sources of short-term finance? Briefly explain. [5+5]

OR

- 9.a) Explain the importance of Capital Budgeting.
 b) What is Payback period technique of Capital Budgeting? What are its merits and demerits? Give one suitable illustration of its application. [5+5]

- 10.a) What are the principles of Double Entry system of accounting.
 b) Illustrate various Liquidity Ratios, with the help of assumed data. [5+5]

OR

11. From the following Trial Balance, prepare final accounts for the year ending 31-03-2015.

Particulars	Dr.balances	Particulars	Cr.balances
Purchases	6,500	Sales	15,000
Opening Stock	7,100	Capital	30,000
Sales returns	800	Bills Payable	3,000
Rent and Taxes	1,500	Interest received	2,650
Debtors	10,000	Bank Loan	5,000
Salaries	6,500		
Machinery	9,500		
Motive Power	850		
Insurance	900		
Depreciation	700		
Wages	2,700		
Furniture	6,400		
Drawings	1,000		
Advertisement	1,200		

- a) Closing Stock Value was valued at Rs. 25,000.
 b) Provide a reserve for bad and doubtful debts @2% debtors.
 c) An amount of Rs.350 is receivable as Rent. [10]

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