Code No: RT21034   **R13**   SET - 1

II B. Tech I Semester Supplementary Examinations, May - 2019
MANAGERIAL ECONOMICS AND FINANCIAL ANALYSIS
(Com. to ME, ECE, CSE, IT, ECC, MTE)

Time: 3 hours   Max. Marks: 70

Note: 1. Question Paper consists of two parts (**Part-A** and **Part-B**)
2. Answer **ALL** the question in **Part-A**
3. Answer any **THREE** Questions from **Part-B**
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PART –A

1. a) Define Managerial economics. How it differ from economics? (4M)
   b) Describe the properties of isoquants. (3M)
   c) What is meant by Monopolistic competition? Explain its features. (4M)
   d) List the merits and demerits of sole trader form of organization. (4M)
   e) Discuss funds flow analysis. (3M)
   f) Explain capital Budgeting process. (4M)

PART -B

2. a) How Elasticity of demand is useful for a managerial economist in decision making? Explain. (8M)
   b) Discuss any four methods of demand forecasting in detail. (8M)

3. a) With a neat diagram, explain law of variable proportions. (8M)
   b) Explain the concept of "Break-Even Analysis" and point out its assumptions. (8M)

4. a) Discuss important features in any market structure. (6M)
   b) How can a competitor attain equilibrium position under conditions of perfect Competition? (10M)

5. "In the changing business environment the public sector enterprises should follow the principles of business". Justify your answer. (16M)

6. a) Explain the meaning of the term analysis of financial statement. Who are interested in this analysis? Explain. (8M)
   b) Explain the following : (8M)
   i)Debt- Equity ratio ii) Current ratio iii) Turnover ratio iv) Profitability ratio

7. Compare and contrast the NPV and ARR methods of evaluating investment proposals and illustrate with examples. (16M)