

Code No: 113BV**JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD****B.Tech II Year I Semester Examinations, March - 2017****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) Point out the natures of Managerial Economics. [2]
- b) Define 'Law of demand' and point out its exceptions. [3]
- c) What do you understand by 'Least cost combination of inputs'? [2]
- d) State and explain Cobb-Douglas Production function. [3]
- e) How are markets classified? [2]
- f) What are the salient features of Sole Proprietorship? [3]
- g) What is the significance of Capital? [2]
- h) Bring out the different sources of raising capital. [3]
- i) What is the importance of ratio analysis? [2]
- j) List out the salient features of Du port Chart. [3]

PART - B**(50 Marks)**

- 2.a) Define Managerial Economics and Explain its scope.
- b) What is elasticity of demand? And explain its types. [5+5]

OR

- 3.a) Explain the governing factors of demand forecasting.
- b) Describe any two methods of demand forecasting. [5+5]

- 4.a) Explain the meaning and relationships of Isoquants and Isocosts.
- b) Briefly explain the laws of returns. [5+5]

OR

- 5.a) Explain the importance of break-even analysis and explain its assumptions and uses.
- b) The fixed costs for year 1975-76 are Rs. 8, 00,000. Variable cost per unit is Rs. 40. The estimated sales for the period are valued at Rs. 20, 00,000. Each unit sells at Rs. 200. Find the break-even point. [5+5]

- 6.a) Explain the conditions of perfect competition.
- b) Describe the price-output determination in perfect competition. [5+5]

OR

- 7.a) Explain the objectives of Pricing and write any two methods of Pricing.
- b) Describe the importance of Public Enterprises and explain the salient features of departmental organizations and government corporations. [5+5]

- 8.a) Describe types of capital and explain the estimation of fixed and working capital requirements.
- b) Explain the meaning of trading forecast and explain the salient features of capital and cash budgets. [5+5]

OR

- 9.a) Explain the salient features of capital budgeting proposals.
- b) The cash outflow and cash inflows of a certain project are given below:

Years	Cash outflows Rs.	Cash inflows Rs.
0	1,80,000	-
1	40,000	20,000
2		40,000
3		60,000
4		1,00,000
5		80,000

The scrap value at the end of 5th year is Rs. 30,000. The cost of capital is 12% calculate the net present value. [5+5]

10.a) Explain the importance of Double-entry book keeping.

b) Record the following transactions in proper books and post them into the ledger and draw out a trial balance: [2+8]

2004

Rs.

Jan. 1	Assets : Debtors: Ganpat Rai, Rs. 600 ; Shri Ram, Rs. 400 ; Furniture, Rs. 100. Liabilities : Creditors : General Trading Co., Rs. 400 ; Banwari Lal, Rs. 45.	
Jan. 2	Sold to Lekhraj	1,500
Jan. 3	Employed Sital Prasad as cashier, received from him security deposit	1,500
Jan. 6	Paid General trading Co. cash Discount allowed	390 10
Jan. 11	Ganpat Rai cleared his account less 5% cash discount	
Jan. 15	Bought of Banwari Lal goods	3,665
Jan. 19	Paid Insurance premium	86
Jan. 20	Received from Shri Ram cash Allowed him discount	212 8
Jan. 22	Sold goods to Ganpat Rai	86
Jan. 23	Sold goods to Shri Ram Paid rent to the godown	60 15
Jan. 25	Bought of General Trading Co. goods	945
Jan. 26	Returned to General Trading Co. defective goods Ganpat Rai returned damaged goods	45 16
Jan. 27	Banwari Lal gives us special allowance for certain defects in goods from them	50
Jan. 27	Goods sold to M/s Ravi Bros. on credit	100
Jan. 28	Received from Lalta Prasad amount previously written off as bad debts Proprietor took away goods for his private use	75 200
Jan. 29	Received cash from Shri Ram	180
Jan. 30	Sold goods to Lekhraj	400
Jan. 31	Rent due to landlord	170
Jan. 31	Paid for stationery	140

OR

11.a) Explain the importance of financial analysis and describe the salient features of liquidity and activity ratios.

b) What is capital structure ratio? And explain the significance of different profitability ratios. [5+5]

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