

Code No: 126EJ**JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD****B. Tech III Year II Semester Examinations, May - 2017****MANAGERIAL ECONOMICS AND FINANCIAL ANALYSIS****(Common to CSE, ECE, ETM, MMT)****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. Write short notes on the following:
- a) Nature of Managerial economics [2]
 - b) Giffen's paradox. [3]
 - c) Economies of scale. [2]
 - d) Opportunity cost. [3]
 - e) Markets and Classification. [2]
 - f) Sole proprietorship. [3]
 - g) Capital. [2]
 - h) Working capital cycle and its components. [3]
 - i) Ledger Accounts and classification. [2]
 - j) Trial Balance and its objectives. [3]

PART - B**(50 Marks)**

- 2.a) What is Demand? List out the determinants of demand.
b) Define Cross- elasticity of demand and state its importance. How can it be measured? [4+6]

OR

- 3.a) Enumerate the factors involved in demand forecasting.
b) Examine the Trend Projection method of demand forecasting. [5+5]
- 4.a) Explain and illustrate Isoquants and Isocost curves.
b) Discuss the nature and managerial uses of Production function. [5+5]

OR

- 5.a) Describe the Laws of increasing, constant and decreasing returns to scale. Represent them diagrammatically.
b) Illustrate Break-Even analysis with the help of a Break-Even chart. How is it helpful for managerial decisions? [5+5]
- 6.a) Discuss the main features of Monopolistic competition.
b) What are the objectives of Pricing? [5+5]

OR

- 7.a) Evaluate Partnership form of business organization.
b) Describe the changing business environment after liberation. [5+5]

- 8.a) What are the characteristics of Fixed capital and Working capital.
 b) Explain the main sources for mobilizing total capital needed by a business unit. [5+5]

OR

- 9.a) Why is Capital Budgeting necessary? Distinguish between non discounting method and discounting method.
 b) Compare Payback Period and Accounting Rate of Return methods of Capital Budgeting. Illustrate with imaginary data. [5+5]

- 10.a) What do you understand by Double Entry system of book-keeping?
 b) Explain the following Ratios.(i) Current Ratio (ii)Quick Ratio and (iii) Debt-Equity Ratio. [5+5]

OR

11. From the following Trial Balance and additional information, you are required to prepare a Trading and Profit and loss Account and Balance Sheet. [10]
 Trial Balance as on 31st December, 2005.

Particulars	Dr. Amount (Rs.)	Cr. Amount (Rs.)
Capital		20,000
Sundry Debtors	5,400	
Drawings	1,800	
Machinery	7,000	
Sundry creditors		2,800
Wages	10,000	
Purchases	19,000	
Opening stock	4,000	
Bank balance	3,000	
Carriage charges	300	
Salaries	400	
Rent and Taxes	900	
Sales		29,000
Total	51,800	51,800

Additional Information:

Closing Stock Rs. 1,200

Outstanding rent and taxes Rs. 100

Charge depreciation on machinery at 10%

Wages prepaid Rs. 400

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