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JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD
B.Tech III Year II Semester Examinations, December - 2018
MANAGERIAL ECONOMICS AND FINANCIAL ANALYSIS
(Common to ECE, CSE, 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.a) What is a Demand schedule and what is its purpose?   [2]
  b) Which are the different discriptives with which Managerial Economics is related? [3]
  c) What are semi variable costs? Illustrate.   [2]
  d) What is angle of incidence? What is its significance?   [3]
  e) What is duopoly market condition?   [2]
  f) How do the voting rights of members of cooperative society differ from that of public limited companies?   [3]
  g) How is non discounting cash flow approach different from discounting cash flow method?   [2]
  h) What are the sources of capital for acquiring fixed assets?   [3]
  i) Define 'dividend yield'.   [2]
  j) What are the objectives of preparing a Trial Balance?   [3]

PART - B   (50 Marks)

2.   Define 'Demand forecasting' and explain various methods of forecasting demand for consumer goods.   [10]
OR
3.a)   What is the nature of managerial economics?
  b)   What are the types of demand elasticity?   [5+5]

4.a)   What do you understand by ' production function' and give its classification?
  b)   What are external economies to scale? How do they influence the average cost of a product?   [5+5]
OR
5.a)   A company making single product has PV ratio of 40% and margin of safety of 30%. If the volume of the sale for the product is Rs.14,00,000, determine break-even point and the profit.
  b)   What are the assumptions of breakeven theory?   [5+5]

6.   What are the various documents needed for starting a public limited company? Explain each of them very briefly.   [10]
OR
7.a)   What are the different types of partners in partnership?
  b)   Explain the terms, globalization and liberalization.   [5+5]

8.a) Explain the term complementary and mutually exclusive projects.
  b) Calculate the present value of Rs. 15,00,000
     i) Received 3 years from now.
     ii) Received in installments of Rs.5,00,000 at the end of every year.
     Assume 10% discounting rate.   [5+5]

OR

9.a) What according to you are the limitations of capital budgeting?
  b) A machinery requires initial investment of Rs.28,00,000. It generates annual cash flow
     of Rs.12,00,000, Rs.8,00,000, Rs.6,00,000 and Rs.6,00,000 for the next four years. The
     annual depreciation rate is 25%. Calculate the payback period.   [5+5]

10.a) What are the various types of ledger accounts and the rules governing them?
   b) Explain the procedure to be followed to prepare final accounts with the help of a valid
      trial balance.   [5+5]

OR

11.a) A company has a policy of maintaining a maximum debt to equity ratio of 2.2:1. The
      company has equity capital of 20,000 shares paid up at Rs.100 face value and 10%
      preference shares of Rs.100 each fully subscribed to the extent of 10,000 shares. The
      Company has also on its books 200 (12%) non convertible debentures of Rs.1000 each.
      The company has secured long term loans of Rs.5,00,000. How much more the
      company can raise as its loan?
   b) What do you understand by the term' accounting cycle'? Explain.   [5+5]

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