

Code No: 125EG/115EG

**R15/R13**

**JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD**

**B. Tech III Year I Semester Examinations, March - 2021**

**MANAGERIAL ECONOMICS AND FINANCIAL ANALYSIS**

**(R15-Common to ME, EIE, IT, AME, MIE; R13-Common to ME, IT, MIE)**

**Time: 3 hours**

**Max. Marks: 75**

**Answer any five questions  
All questions carry equal marks**

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- 1.a) Examine the Law of Demand. Under what circumstances can an increase in the price of a commodity lead to an increase in the demand?  
b) Distinguish between Extension and Contraction of demand with suitable diagram. [7+8]
- 2.a) What is Isoquant? Illustrate the types of isoquants.  
b) Explain the Law of returns to scale. [7+8]
- 3.a) Distinguish between Accounting costs and Economic costs.  
b) An enterprise has a fixed cost of Rs. 63,000; Selling price per unit is Rs. 60 and Variable cost per unit is Rs. 30. The present level of output is 4000 units. (i) Find BEP in terms of volume and value and (ii) Calculate Margin of safety. [7+8]
- 4.a) What is Perfect competition? State its features.  
b) What differences can you establish between perfect competition and monopoly? [7+8]
- 5.a) Explain the salient features of a Joint stock company and its merits.  
b) List and explain the forms of Public enterprises in India. [7+8]
- 6.a) Enumerate any five methods of raising Medium term finance for a company.  
b) The cost of a project is Rs. 60,000 and the annual cash inflows for the next five years are 30000. What is the payback period for the project? [8+7]
- 7.a) What are accounting concepts? Explain any four accounting concepts in detail.  
b) Liquidity ratios help in identifying the danger signals of the firm in advance. Explain. [7+8]

8. The Trial Balance of Chatterjee on 31-12-2008 revealed the following balances.  
Prepare Trading Account, Profit and Loss Account and Balance Sheet.

**Trial Balance**

<b>Debt</b>	<b>Rs.</b>	<b>Credit</b>	<b>Rs.</b>
Sundry debtors	64000	Sales	265000
Plant and Machinery	154000	Capital account	100000
Purchases	68000	Purchase returns	1275
Sales returns	1000	Discount received	800
Opening stock	30000	Sundry creditors	25000
Discount allowed	350		
Bank charges	75		
Furniture	45000		
Salaries	6800		
Wages	10000		
Freight in	750		
Freight out	1200		
Rent, rates and taxes	2000		
Advertisement	2000		
Cash at bank	2600		

The stock on 31<sup>st</sup> December 2008 was valued at Rs. 35000.

[15]

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