

Code No: 125EG**JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD****B. Tech III Year I Semester Examinations, February - 2022****MANAGERIAL ECONOMICS AND FINANCIAL ANALYSIS****(Common to ME, EIE, IT, MIE)****Time: 3 Hours****Max. Marks: 75**

Answer any Five Questions
All Questions Carry Equal Marks

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- 1.a) Explain why managerial economics is important for decision making with a real life example.
b) What is Demand? Differentiate between demand for a durable and perishable product. [8+7]
- 2.a) Enlist determinants of demand and discuss the methods of demand forecasting.
b) Examine the role of managerial economics in decision making and brief on scope of managerial economics. [7+8]
- 3.a) What do you understand by internal and external economies of scale for a large firm?
b) Elucidate on any five cost concepts. [7+8]
- 4.a) Explain the Law of Increasing Returns with a suitable diagram.
b) A firm has a fixed cost of Rs.500000/-, selling price per unit is Rs.500/- and variable cost per unit is Rs.250/-, present level of production is 40000 units. Calculate BEP in terms of volume and sales value. [8+7]
- 5.a) Explain price output determination under Perfect Competition, monopoly.
b) State the features Partnership form of business organization. [7+8]
- 6.a) What are the objectives of pricing strategy and what is price discrimination? Is it a beneficial process to society?
b) Define a joint stock company, public enterprises and brief on the types of public enterprises. [7+8]
- 7.a) Explain the term Working Capital. What are the sources used for financing temporary requirement of working capital?
b) Explain NPV method. Why is the NPV method considered a better capital budgeting method than payback and ARR methods? [7+8]

8. Following are the balances extracted from the books of XYZ on 31st March, 2018:

Particulars	Amount	Particulars	Amount
Capital	1,90,000	Cash at Bank	26,000
Drawing	7,000	Salaries	8,000
Plant and Machinery	1,20,000	Repairs	1,900
Delivery Vehicle	26,000	Stock on 1st April, 2017	16,000
Sundry Debtors	36,000	Rent	4,500
Sundry Creditors	26,000	Manufacturing Expenses	1,500
Purchases	20,000	Bills Payable	23,500
Sales	42,000	Bad Debts	5,000
Wages	8,000	Carriage	1,600

Prepare Trading and Profit and Loss Account and Balance Sheet as at 31st March, 2018 after following adjustments are made:

- Closing Stock was 16,000.
- Depreciate Plant and Machinery @ 10% and Delivery Vehicle @ 15%.
- Unpaid Rent amounted to 500.

[15]

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