

Code No: 125EG**JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD****B. Tech III Year I Semester Examinations, January/February - 2023****MANAGERIAL ECONOMICS AND FINANCIAL ANALYSIS****(Common to ME, EIE, MIE)****Time: 3 hours****Max. Marks: 75****Note:** i) Question paper consists of Part A, Part B.

ii) Part A is compulsory, which carries 25 marks. In Part A, Answer all questions.

iii) In Part B, Answer any one question from each unit. Each question carries 10 marks and may have a, b as sub questions.

PART - A**(25 Marks)**

- 1.a) Define Managerial Economics. [2]
- b) List out different types of demand forecasting. [3]
- c) Give the formula for Cobb-Douglas Production function. [2]
- d) Give any two examples of Opportunity Costs. [3]
- e) List out the different features of Perfect competition. [2]
- f) Identify different advantages of Joint Stock Company. [3]
- g) What is Accounting Rate of Return (ARR) in Capital Budgeting? [2]
- h) What is the significance of Capital? [3]
- i) Identify different features of Final Accounts. [2]
- j) What are the different issues in DuPont Chart? [3]

PART - B**(50 Marks)**

- 2.a) Explain the importance of Managerial Economics in decision making.
- b) Discuss different determinants of demand and also tell about demand function with its determinants. [5+5]

OR

- 3.a) Elucidate different Factors governing demand forecasting in detail.
- b) Define Elasticity of demand. Explain different types of Elasticity of demand. [5+5]

- 4.a) Determine Least Cost Combination of Inputs by using Isoquants and Isocosts Curves.
- b) Explain different types of Cost concepts with its advantages and disadvantages. [5+5]

OR

- 5.a) Illustrate Graphical representation of Laws of Returns with one variable as constant
- b) Calculate
 - i) Break-even point in rupees
 - ii) p/v ratio
 - iii) Break-even point in rupees
 - iv) Sales in units to earn a desired profit of Rs 10000 from the following data

Total fixed expenses=Rs 10000

Selling price=Rs 10/- unit

Variable cost=Rs6/- unit

[3+7]

- 6.a) Explain Price-Output Determination in case of Monopoly competition with graphical representation.
 b) Differentiate between Sole Proprietorship and Partnership with its features. [5+5]

OR

- 7.a) Discuss different Methods of Pricing with suitable example for each and every methods.
 b) Identify and describe different changes in New Economic Environment. [5+5]

- 8.a) Consider the following schedule of cash outflows and inflows:

Period 0: 10,000 Cash Outflow

Period 1: 5,000 Inflow

Period 2: 4,000 Inflow

Period 3: 3,500 Inflow

Period 4: 3,000 Inflow

Cost of Capital is 10%.

Calculate Net present value and comment whether the project is to be accepted or rejected.

- b) Explain different features of capital budgeting proposals in detail. [5+5]

OR

9. Runwall Ltd. had annual sales of 50,000 units at Rs.100per unit. The company works for 50 weeks in the year. Cost details of the Company are as given below:

Particulars	Rs.
Raw material Per Unit	30
Labour Per Unit	10
Overheads per Unit	20
Total cost Per Unit	60
Profit per Unit	40
Selling price Per Unit	100

Additional Information:

a) The Company has the practice of storing raw materials for 4weeks requirements.

b) The wages and other expenses are paid after a lag of 2 weeks.

c) Further the debtors enjoy a credit of 10 weeks & Company gets a credit of 4 weeks from suppliers.

d) The processing time is 2 weeks and finished goods inventory is maintained for 4 weeks.

From the above information prepare a working capital estimate. [10]

- 10.a) Explain in detail Accounting concepts and Conventions.
 b) Demonstrate the Interpretation of Capital structure and Profitability ratios with its benefits. [5+5]

OR

11. Record the following transactions in the Journal and post them into ledger and prepare a Trail Balance:

April 1st: Neeraj started business with a capital of 80,000

April 5th: Bought goods from Kavita on credit 20,000

April 7th: Sold goods to Trina 25,000

April 9th: Cash purchases 25,000

April 10th: Cash sales 15,000

April 11th: Goods returned to Kavita 2,000

April 12th: Bought furniture for 15,000

April 13th: Cash paid to Kavita 12,000

April 15th: Goods returned by Trina 3,000

April 17th: Goods taken by Neeraj for personal use 3,000

April 20th: Cash received from Trina 12,000

April 22nd: Took loan from Parag 30,000

April 23rd: Salary paid 5,000

April 25th: Bought stationery for 1,000

April 27th: Amount paid to Parag on loan account 18,000

April 30th: Interest received 4,000

[10]

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