Set No. 1

II B.Tech I Semester Regular Examinations, November 2008
MANAGERIAL ECONOMICS AND FINANCIAL ANALYSIS
(Common to Computer Science & Engineering, Information Technology
and Computer Science & Systems Engineering)

Time: 3 hours   Max Marks: 80

Answer any FIVE Questions
All Questions carry equal marks
⋆ ⋆ ⋆ ⋆ ⋆

1. Discuss about the nature and scope of the Managerial Economics.   [16]

2. Define elasticity of demand and analyse the importance of the elasticity of demand.   [16]

3. What is Break even point? How is it computed?   [16]

4. What is a market? What are its essential characteristics? Discuss various types of markets.   [16]

5. Explain the features of sole trader form of organization. Discuss the merits & demerits of sole trades form of organization.   [16]

6. Mohan & Co. is considering the purchase of machine. Two machines X and Y each casting Rs.50,000 are available. Earnings after taxes are expected to be as under:

Year	Machine 'X' (Rs.)	Machine 'Y' (Rs.)
1	15000	5000
2	20000	15000
3	25000	20000
4	15000	30000
5	10000	20000

Estimate the two alternatives according to:

(a) Payback method, and

(b) NPV method a discount rate of 10% is to be used.   [16]

7. Journalise the following transactions in the books of Raj Shekhar: [16]

Jan.1	Bought goods from Rao for	500
Jan.2	Sold goods for cash	150
Jan.5	Sold goods to Murthy	300
Jan.12	Bought goods for cash	750
Jan.18	Bought furniture for cash	200
Jan.20	Bought furniture for cash	250
Jan.24	Received from Murthy on account	175
Jan.28	Paid Rao on account	225
Jan.30	Paid salaries	150
Jan.31	Paid landlord rent	45

Set No. 1

8. From the following information find out :

(a) Gross Profit Raito

(b) Operating Profit Ratio

(c) Net Profit Raio. [16]

		Rs.
Sale		56,00,000
Less: Cost of Goods Sold :		
Raw material consumed	22,00,000	
Wages	12,00,000	
Other production expenses	8,00,000	42,00,000
		14,00,000
Gross Profit		
Less : Administration Expenses :		
Selling Expenses	50,000	
Distribution Expenses	1,00,000	
Administrative Expenses	3,00,000	
Loss on Sale of Fixed assets	18,000	
Loss on Sale of Investments	10,000	
Interests (on long-term debts)	1,30,000	
Provision for taxation	2,60,000	
(Inclusive of advance tax paid)		8,68,000
Net profit		5,32,000

⋆ ⋆ ⋆ ⋆ ⋆

Code No: 07A3HS01

Set No. 2

II B.Tech I Semester Regular Examinations, November 2008
MANAGERIAL ECONOMICS AND FINANCIAL ANALYSIS
(Common to Computer Science & Engineering, Information Technology
and Computer Science & Systems Engineering)

Time: 3 hours   Max Marks: 80

Answer any FIVE Questions
All Questions carry equal marks
⋆ ⋆ ⋆ ⋆ ⋆

1. Briefly examine the different determinants for demand.   [16]

2. What do you mean by elasticity of demand and examine the concepts of elastic and inelastic demand.   [16]

3. A company makes a single product with a sales price of Rs 10 and a variable cost of Rs 6 per unit. Fixed costs are Rs.60,000.Calculate

   (a) number of units to Break - even

   (b) Break - Even scales

   (c) sales to get a profit of Rs.10,000

   (d) Profit - volume Ratio.   [4+4+4+4]

4. Discuss the various kinds of prices charged by the firm for their product?   [16]

5. Distinguish between a partnership & a joint stock company.   [16]

6. Consider the case of the company with the following two investment proposals, each costing 18 Lakhs. The details of the cash inflows are as follows:

Year	Project 1	Project 2
1	6,00,000	12,00,000
2	10,00,000	8,00,000
3	12,00,000	6,00,000

   The cost of capital is 10% per year. Which are will you choose under NPU method?
   [16]

7. Journalise the following transactions: [16]

2002		
Jan. 1	Gopal started his business with the capital	10,000
Jan. 1	Furniture Rs.3,000 and stock	2,000
Jan. 5	Deposited in Andhra Bank	8,000
Jan. 10	Goods purchased from Hari	7,000
Jan. 15	Goods sold to Srinivas on cash	6,500
Jan. 17	Goods returned to Hari	400
Jan. 20	Commission Received	800
Jan. 30	Salaries Paid	5,000
Jan. 31	Rent Paid	2,000

Set No. 2

8. What is meant by Ratio Analysis? Explain briefly various techniques of ratio analysis. [16]

⋆ ⋆ ⋆ ⋆ ⋆

Set No. 3

II B.Tech I Semester Regular Examinations, November 2008
MANAGERIAL ECONOMICS AND FINANCIAL ANALYSIS
(Common to Computer Science & Engineering, Information Technology
and Computer Science & Systems Engineering)

Time: 3 hours   Max Marks: 80

Answer any FIVE Questions
All Questions carry equal marks
⋆ ⋆ ⋆ ⋆ ⋆

1. "The scope of managerial economics as for as solving problems of business enterprise is concerned is unlimited" Elucidate the statement. [16]

2. Analyse the concept of elasticity of demand and examine the various factors effecting the elasticity of demand. [16]

3. Define internal economies of scale and write about various kinds and causes of internal economies of production. [16]

4. Define monopoly competition discuss the various kinds of monopoly. [16]

5. (a) Discuss the factors affection the choice of from of business organization.

   (b) Define partnership & explain its features & advantages. [16]

6. (a) What is Capital? Explain the types & significance of capital.

   (b) Explain the concept of working capital, its features & limitations. [16]

7. Journalise the following transactions: [16]

a.	Started business with a capital of Rs.20,000
b.	He paid into the Bank Rs.15,000
c.	He purchased goods for cash Rs.5,000
d.	He withdraw cash from Bank for office use Rs.8,000
e.	He sold goods for cash Rs.6,000 to y
f.	He purchased furniture for cash Rs.2,000 from Chandram & co.
g.	He purchased goods from M on credit for Rs.4,000
h.	He paid wages Rs.3,000 for installation of a new plant purchased for Rs.10,000
i.	He used goods valued at Rs.200 of the business for his domestic purpose
j.	He sold goods to K for Rs.2,000 and received a cheque.

8. What are the purpose and limitations of ratio analysis? [16]

⋆ ⋆ ⋆ ⋆ ⋆

II B.Tech I Semester Regular Examinations, November 2008
MANAGERIAL ECONOMICS AND FINANCIAL ANALYSIS
(Common to Computer Science & Engineering, Information Technology
and Computer Science & Systems Engineering)

Time: 3 hours
Max Marks: 80

Answer any FIVE Questions
All Questions carry equal marks
⋆ ⋆ ⋆ ⋆ ⋆

1. Managerial economics is the integeration of economic theory with business practice for the purpose of facilitating decision making and forward planning by management - Discuss. [16]

2. Write about the time series analysis and explain the various types of time series techniques used for demand forecasting. [16]

3. you are given the following information
   Rs.
   Selling price   10 per unit
   Variable cost   6 per unit
   Fixed cost   10,000
   present production & sales 5,000units.
   The director of the company propose to reduce the selling price by 20%. Find out the Break - Even point and profit - volume ration before and after change in selling price. [16]

4. Explain the role of selling costs under monopolistic competition. [16]

5. (a) What are the characteristics of a Business Unit?
   (b) Explain the features of sole traders from of organization. [16]

6. A company has two proposals each costing Rs.9 Lakhs. The details of the cash inflows are as follows:

Year	Project 1	Project2
1	3,00,000	6,00,000
2	500,000	4,00,000
3	6,00,000	3,00,000
4	2,00,000	2,00,000

   The cost of capital is 10% per year. Which one will you choose under NPV method. [16]

7. Write a short notes on:
   (a) Nominal account
   (b) Personal account
   (c) Real account. [16]

8. Explain the significance and utility of ratio analysis in financial decision making.

[16]

$\star\star\star\star\star$