

II B.Tech I Semester Regular Examinations, Nov/Dec 2009
MANAGERIAL ECONOMICS AND FINANCIAL ANALYSIS
Common to Information Technology, Computer Science And Engineering,
Computer Science And Systems Engineering

Time: 3 hours**Max Marks: 80**

Answer any FIVE Questions
All Questions carry equal marks

1. Write brief note on the following. Each question carries equal marks
 - (a) Profit volume ratio
 - (b) Margin of safety. [8+8]
2. Write a short notes on:
 - (a) Sole trader
 - (b) Public Corporation
 - (c) Limited Company. [16]
3. What do you mean by capital budgeting process? State various steps in this process. [16]
4. Explain diagrammatically the concept of elasticity of linear demand. [16]
5. Explain the various accounting convention to be followed in accounting practices. [16]
6. The following are the extracts from the financial statements of S Chand Ltd., as on 31.3.2007 and 2008.

	<u>2007 (Rs.)</u>	<u>2008(Rs.)</u>
Stock	10,000	25,000
debtors	20,000	20,000
bills receivables	10,000	5,000
cash in hand	18,000	15,000
bills payable	15,000	20,000
9% debentures	5,00,000	5,00,000
bank OD	—	2,000
sales	3,50,000	3,00,000
gross profit	70,000	50,000

Compute for both the years the following:

- (a) Current Ratio
- (b) Liquidity Ratio
- (c) Stock turnover Ratio. also interpret the results. [16]

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Set No - 2

7. Explain the nature of demand curve and discuss about the different situations when the demand curve does not slope downwards. [16]
8. Discuss the entry and exit price under perfect competition market structure. [16]

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