B.Tech IV Year I Semester (R09) Regular & Supplementary Examinations December 2014
MANAGERIAL ECONOMICS & FINANCIAL ANALYSIS
(Common to CSE, IT & CSS)

Time: 3 hours   Max. Marks: 70

Answer any FIVE questions
All questions carry equal marks
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1   Define managerial economics and point out its chief characteristics. How is managerial economics useful to manager?

2   What is elasticity of demand? Explain how point elasticity and arc elasticity are improved methods of measuring elasticity of demand.

3   Write short notes on any two of the following:
    (a)   Internal economies.
    (b)   External economies.
    (c)   Production function.

4   What is market? Distinguish between perfect and imperfect markets.

5   Discuss about the short-comings of the public sector enterprises in India and what is their future?

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

Year	1 (Rs.)	2 (Rs.)	3 (Rs.)
Project-I	3,00,000	5,00,000	6,00,000
Project-II	6,00,000	4,00,000	3,00,000

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

7 (a) Define the profit and loss accounts in the books of accounts of a business firm.
   (b) Explain difference between Ledger and Journal.

8   What is the importance of ratio analysis?

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