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Code No: BA1502

GEC-R14

II B. Tech II Semester Supplementary Examinations, June 2017

## MANAGERIAL ECONOMICS AND FINANCIAL ANALYSIS

(Common to Electrical and Electronics Engineering  
and Electronics and Communication Engineering)

Time: 3 Hours

Max. Marks: 60

**Note:** All Questions from **PART-A** are to be answered at one place.

Answer any **FOUR** questions from **PART-B**. All Questions carry equal Marks.

### PART-A

**6 × 2 = 12M**

1. What is Demand Function?
2. Write a note on P/V ratio.
3. What is Price Differentiation?
4. What is a Public Enterprise?
5. What is Double Entry Book-Keeping?
6. Determine the formula for Debt/Equity Ratio.

### PART-B

**4 × 12 = 48M**

1. What do you understand by elasticity of demand? Explain how you measure elasticity of demand? (12M)
2. Explain various economies of scale in detail. (12M)
3. A company wishes to launch a new mobile smart phone into the market. What pricing strategies do you recommend to adopt by the company. (12M)
4. Compare and contrast between Sole trader and Partnership Business. (12M)
5. Illustrate different types of Accounts and Branches of Accounting. (12M)
6. From the following information calculate the NPV of the two projects and suggest which one should be accepted assuming a discount rate of 10%

	Project X	Project Y
Initial Investment	20,000	30,000
Estimated Life	5 Yrs	5 Yrs

The profits before depreciation and after taxes are as follows. (12M)

	Year 1	Year 2	Year 3	Year 4	Year 5
Project X	Rs.5,000	Rs.10,000	Rs.10,000	Rs.3,000	Rs.2,000
Project Y	Rs.20,000	Rs.10,000	Rs.5,000	Rs.3,000	Rs.2,000
P.V @ 10%	0.909	0.826	0.751	0.683	0.621

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