H.T.No. | | | | | | | | | | |

Code No: BA1502 **GEC-R14**

IV B. Tech I Semester Regular Examinations, November 2017

MANAGERIAL ECONOMICS AND FINANCIAL ANALYSIS

(Civil 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. Define Managerial Economics.
2. State the Cobb-Douglas Production Function.
3. What is Skimming Pricing strategy?
4. What is Privatization?
5. Define rule for personal Account.
6. Determine the formula for Debt Equity Ratio.

PART-B

4 × 12 = 48M

1. a) What are the determinants of Demand? (6M)
   b) Explain the exceptions of Law of Demand. (6M)
2. Explain the operation of the law of returns to scale. (12M)
3. Define Market and what are different types of competition? Explain features of Perfect Competition. (12M)
4. Illustrate the phases of business cycle and their impact on business. (12M)
5. Prepare Trading and Profit & Loss A/c of Mr. Sukumar for the year ending 31-3-2007 and Balance Sheet as on that date from the following Trial Balance: (12M)

Debit Balances	**Rs.**
Land	15,300
Purchases	11,200
Salaries	2,200
Rent	600
Postage	300
Opening Stock	3,100
Building	1,700
Furniture	1,000
Debtors	6,000
Cash in Hand	1,300
Stationery	240
Wages	5,200
Freight Charges	560
Carriage inwards	500
Miscellaneous	900

Credit Balances	**Rs.**
Sales	41,460
Returns Outwards(P/R)	420
Interest	240
Creditors	4,120
Loan	3,000
Capital	12,000

Factory Expenses	120
Repairs	1,020
Bad Debts	5,640
Machinery	4,360
	61,240

	61,240

Adjustments:

1. Closing stock Rs.2,980
2. Outstanding Salaries Rs.200
3. Prepaid Rent Rs.60

6. a) Discuss

i) Current Ratio and

ii) Quick ratio (6M)

b) A firm is considering three projects each with an initial investment of Rs.20,000 and a life of 4 years. The following is the list of estimated cash inflows after taxes and depreciation.

Years	**Proposal-I**	**Proposal-II**	**Proposal-III**
1	12,500	11,750	13,500
2	12,500	12,250	12,500
3	12,500	12,500	12,250
4	12,500	13,500	11,750
Total	**50,000**	**50,000**	**50,000**

Determine Accounting Rate of Return and suggest the project for investment. (6M)

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