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**Code No: BA1502**

**GEC-R14**

**II B. Tech I Semester Supplementary Examinations, January 2017**

**MANAGERIAL ECONOMICS AND FINANCIAL ANALYSIS**

**(Common to Mechanical Engineering, Computer Science and Engineering and Information Technology)**

**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. What do you mean by marginal costing?
3. Explain any two features of perfect competition.
4. Explain features of Sole Proprietorship.
5. What are the types of account?
6. What do you mean by capital budgeting?

**PART-B**

**4 × 12 = 48M**

1. a) Elucidate the nature and scope of Managerial Economics. (6M)  
b) What is Law of Demand? Explain the different determinants of demand. (6M)
2. a) Explain the internal and external economies of scale. (6M)  
b) From the following, calculate the Break-even Point in sales volume. (6M)  
Selling price per unit Rs.50  
Variable cost per unit Rs.40  
Depreciation included in above per unit Rs.2,00,000  
Fixed Cost Rs.10  
Presume that there is no time-lag in payments.
3. a) Explain the different types of Competition. (6M)  
b) Elucidate the 5 different methods of pricing strategies. (6M)
4. a) Elucidate the different phases of Business Cycle. (6M)  
b) Differentiate between Partnership and Joint Stock Company. (6M)

5. a) Explain the different problems on trading account. (6M)  
b) Post journal entries in the books of Radhi & Co.: (6M)

2015 Jan. 1

Started business with cash Rs. 3,000 and stock Rs. 2,000.

Jan. 5

Purchased goods from Sandhya Rs. 2,000 under 10% trade discount.

Jan. 10

Cheque Rs. 1,500 received from Dheera for the earlier credit sales

Rs. 1,520, After allowing a discount in full statement of her a/c.

Jan. 20

Drawn for personal use – Goods Rs. 100, Cash Rs. 200, and by cheque from Bank Rs. 200.

6. a) Explain Liquidity, Profitability, Solvency Ratios. (6M)  
b) There are two projects A and B. The cost of the project is Rs.30, 000 in each case. The cash inflows are as under:

Year	Cash Inflows (Rs.)	
	Project A	Project B
1	10,000	2,000
2	10,000	4,000
3	10,000	24,000

Calculate Pay-back period and suggest which project is preferable?

Justify your answer. (6M)

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