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Code No: BA1502

GEC-R14

II B. Tech I Semester Regular / Suppl. Examinations, November 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. Describe law of demand.
2. Define Iso -quant?
3. List out elements of cost.
4. What is P/V ratio?
5. What is a joint stock company?
6. Explain current ratio of 2 : 1.

PART-B

4 × 12 = 48M

1. a) Write about Law of Demand and its exceptions. (6M)
b) Measure price elasticity of demand if 20% fall in price results in 25% increase in demand. (6M)
2. a) What are factors of production? How do they influence the production function in an enterprise? (6M)
b) Describe BEP with the help of a diagram and its uses in business decision making? (6M)
3. a) Describe the guidelines for fixing price of essential commodities. (6M)
b) What is perfect competition? How is market price determined under conditions of perfect competition? (6M)
4. a) What is the need for public enterprises? Explain the recent achievements of public enterprises you have noticed in India? (6M)
b) Describe comparative view of private, public and joint sector. (6M)
5. a) Calculate the profit if:
Cash sales Rs. 40,000
Credit sales Rs. 30,000
Sales returns Rs. 3,000
Cost of goods sold Rs. 50,000 (6M)

b) The annual sales of a business were as under:

Cash sales Rs. 35,000

Credit sales Rs. 40,000

The cost of goods sold (including direct expenses) works out at Rs. 52,000

Expenses incurred on sale amounted to Rs. 6,700

Find out its net profit.

(6M)

6. a) A project involves initial outlay of Rs. 1,19,600. Its working life is expected to be 3 years. The cash flows are likely to be as follows:

Year	Cash inflows (Rs.)
1	64,000
2	56,000
3	24,000

Compute the NPV @10%?

(6M)

- b) Write notes on Profitability Ratios.

(6M)
