

II B. Tech I Semester Supplementary Examinations, May/June - 2016
MANAGERIAL ECONOMICS AND FINANCIAL ANALYSIS
 (Com. to ME, ECE, CSE, IT, ECC, MTE)

Time: 3 hours

Max. Marks: 70

- Note: 1. Question Paper consists of two parts (**Part-A** and **Part-B**)
 2. Answer **ALL** the question in **Part-A**
 3. Answer any **THREE** Questions from **Part-B**

PART -A

1. Write short notes on

- | | |
|---------------------------------|------|
| a) Cardinal Vs Ordinal utility | (3M) |
| b) Giffen paradox | (4M) |
| c) Characteristics of Isoquants | (4M) |
| d) Kinds of partners | (4M) |
| e) Margin of safety | (3M) |
| f) Accounting Cycle | (4M) |

PART -B

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|--|------|
| 2. a) What is Managerial Economics? Explain its nature and scope | (8M) |
| b) Discuss its relation with other subjects | (8M) |
| 3. a) Critically examine the price elasticity, income elasticity and cross elasticity of demand and also explain their usefulness to business units. | (8M) |
| b) Explain the important determinants of demand | (8M) |
| 4. a) Differentiate between sunk, shut down and abandonment costs with the help of examples. | (8M) |
| b) What is the concept of opportunity cost? Explain it with the help of suitable examples. Calculate total cost and marginal cost from the following data: | (8M) |

Output/ units	Fixed cost (in Rs.)	Variable cost (in Rs.)
0	400	0
1	400	100
2	400	150
3	400	200
4	400	250
5	400	300



5. a) What are the features of perfect competition? How are price and output determined under perfect competition? (8M)
 b) Discuss the important features of monopolistic competition. How are price and output determined under this market? (8M)
6. a) What is a business cycle? Describe its various phases. (8M)
 b) What are the major forms of Industrial organisation? Narrate their main features. (8M)
7. From the following Trail balance, prepare Trading account, Profit and loss account and Balance sheet as on 31-3-2013 of Miss. Srilekha & Co. (16M)

Sales	Rs 40,000	Sundry debtors	Rs 40,000
Capital	Rs 50,000	Carriage inwards	Rs 500
Land	Rs 15,000	Bad debts	Rs 1000
Opening			
Stock	Rs 15,000	Carriage outwards	Rs 600
Wages	Rs 2500	Salaries	Rs 900
Purchase	Rs 10,000		
Returns	Rs 1000, and 1500	Rent (credit)	Rs 5,000
Interest	Rs 700		
Bills payable	Rs 66,500		
Sundry			
Creditors	Rs 60,000	Buildings	Rs 70,000
Furniture	Rs 60,000	Bank overdraft	Rs 50,000
Rent	Rs 800	Bills receivable	Rs 50,000

Adjustments:

1. Closing stock Rs. 60,000
2. Bad-debts on debtors Rs 1000