Q.P. Code: 16MB750

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SIDDHARTH INSTITUTE OF ENGINEERING & TECHNOLOGY:: PUTTUR
(AUTONOMOUS)
B.Tech III Year I Semester Regular Examinations November/December 2018
MANAGERIAL ECONOMICS & FINANCIAL ANALYSIS
(ECE)

Time: 3 hours

Max. Marks: 60

(Answer all Five Units **5 x 12 = 60** Marks)

UNIT-I

1 a "Managerial economics is the integration of economic theory with business practice for the purpose of facilitating decision making and forward planning by Management". Explain. 7M

   b Define demand and describe its determinants with suitable examples. 5M

OR

2 a State the 'Law of Demand'. What are the various factors that determine the demand for a Mobile Phone? 7M

   b What is Elasticity of Demand? Represent its different types. 5M

UNIT-II

3 a Explain Long run production function with example. 7M

   b What is Cost? Write about the different cost concepts in Managerial Economics 5M

OR

4 a Explain about the following terms in short:
       a) Cobb-Douglas Production Function.
       b) MRTS
       c) Economies of Scale
       d) Opportunity cost 8M

   b What do you mean by Law of Return? Explain 'Law of returns to scale'. 4M

UNIT-III

5 a What is a New Economic Environment in Business? Write about Economic Liberalization Privatization and Globalization 7M

   b Define Oligopoly and state the features of Oligopoly with examples. 5M

OR

6 a What is Market Structure? Give Explanation about types of Market structures in Managerial Economics 7M

   b Write a note on
       a) Monopolistic competition.
       b) Perfect and Imperfect Competition 5M

UNIT-IV

7 a A business needs a new machine and has to make the choice between Machine Y and Machine Z. The initial cost and net cash flow over five years to the business have been calculated for each machine as follows:

	Machine Y	Machine Z	
Initial cost	20,000	28,000	
Net cash Inflow			7M
1	8,000	10,000	
2	12,000	12,000	
3	9,000	12,000	
4	7,000	9,000	
5	6,000	9,000	

Only one machine is needed, calculate : i) Pay Back Period
ii) Accounting rate of Return

b What is the importance of Capital budgeting? What are all its limitations?　　5M

OR

8 a Write a short notes on
    a.　Payback period
    b.　Net present Value method　　8M
    c.　Fixed capital
    d.　Internal Rate of Return

b What do you understand by Time Value of Money? How it is helpful in Capital Budgeting?　　4M

UNIT-V

9 a What is Financial Accounting? Briefly explain various accounting concepts.　　7M

b "Financial Accounting is much Important for Better Managerial Decisions" Why? Explain.　　5M

OR

10 a Journalise the following transactions of Mr. Ravi and post them in the ledger and balance the same.

    2010, June 1　Ravi invested Rs.5,00,000 cash in the business
           3　Paid into bank Rs.80,000
           5　Purchased building for Rs.3,00,000
           7　Purchase goods for Rs.70,000　　7M
         10　Sold goods for Rs.80,000
         15　Withdrew cash from bank Rs.10,000
         25　Paid electric charges Rs.3,000
         30　Paid salary Rs.15,000

b Explain about advantages of double-entry book-keeping.　　5M

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