

**Reg. No:**

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**SIDDHARTH INSTITUTE OF ENGINEERING & TECHNOLOGY:: PUTTUR**  
(AUTONOMOUS)

**B. Tech III Year II Semester Supplementary Examinations Dec 2019**

**MANAGERIAL ECONOMICS AND FINANCIAL ANALYSIS**

**(Mechanical Engineering)**

Time: 3 hours

Max. Marks: 60

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

**UNIT-I**

- 1 a** Short answer questions: **7M**  
 i) Micro economics  
 ii) Elasticity of Demand  
 iii) Demand for casting  
**b** Describe Managerial Economics and Financial Accounting **5M**

**OR**

- 2 a** What meant Demand and explain the types of Demand **6M**  
**b** What is Elasticity of demand and its types of Elasticity of Demand **6M**

**UNIT-II**

- 3 a** What is Law of return on scale? Explain. **6M**  
**b** Explain the following **6M**  
 1. Cobb-Douglas Production Function.  
 2. MRTS

**OR**

- 4 a** Explain the concept of Least cost production function. **6M**  
**b** Write a brief note about the following **6M**  
 1. Opportunity cost  
 2. Short run production function

**UNIT-III**

- 5 a** Define Monopoly and Perfect Competition with examples. **6M**  
**b** What are the differences between Monopoly and Perfect Competition? List out. **6M**

**OR**

- 6 a** Define Market penetration. **4M**  
**b** List some pricing strategies for a new product and explain them with relevant examples. **8M**

**UNIT-IV**

- 7 a** Explain the following **8M**  
 1. Working capital  
 2. Net Present Value  
 3. Accounting Rate of Return  
**b** What are the limitations of capital budgeting? **4M**

**OR**

- 8 a** Write about the concept of working capital cycle **6M**  
**b** List some methods of Capital budgeting. **6M**

**UNIT-V**

- 9 a Explain Balance Sheet with an example. **6M**  
 b Alpha Manufacturing Co. has drawn up the following Profit and Loss Account for **6M**  
 the year ended 31<sup>st</sup> March, 2012.

Particulars	Rs.	Particulars	Rs
TOpening Stock	26,000	By Sales	1,60,000
TPurchases	80,000	By Closing Stock	38,000
TWages	24,000		
Manufacturing Expenses	16,000		
TGross Profit c/d	52,000		
	<b>198000</b>		<b>1,98,000</b>
TSelling and Distribution Exp.	4,000	By Gross Profit	52,000
TAdministrative Exp.	22,800	Commission Received	4,800
TGeneral Exp.	1,200		
TValue of furniture lost by Fire	800		
TNet Profit	28,000		
	<b>56,800</b>		<b>56,800</b>

You are required to find out :

- A) Gross Profit Ratio                      B) Net Profit Ratio    C) Operating Ratio

**OR**

- 10 a Journalise the following transactions of Mr.Ravi and post them in the ledger and balance the same. **6M**  
 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  
 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 Advantages of double-entry book-keeping. **6M**

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