

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

B.Tech II Year II Semester Regular & Supplementary Examinations August-2023
MANAGERIAL ECONOMICS & FINANCIAL ANALYSIS

(Common to CIC, CCC, CAD, CSM & AGE)

Time: 3 Hours

Max. Marks: 60

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

UNIT-I

- 1 a What is Managerial Economics? Explain the scope of Managerial Economics. CO1 L2 6M
b Define Elasticity of demand. Explain various measures of Elasticity of Demand. CO1 L2 6M

OR

- 2 a Examine the significance of studying the concept- demand forecasting. CO1 L4 6M
b List out the various factors that determine the demand for a Mobile Phone. CO1 L4 6M

UNIT-II

- 3 a Define production function. And explain production function with one variable input. CO2 L2 6M
b Explain the law of returns with appropriate examples. CO2 L2 6M

OR

- 4 A firm has declared the following details about its sales: Year 1 Year 2
Sales (Rs.) 1,40,000 1,60,000 Profit (Rs.) 15,000 20,000
(i) Calculate PV Ratio. CO2 L6 12M
(ii) Find out the firm's BEP (iii) How much should the company produce and sell to earn profit of Rs.40, 000?

UNIT-III

- 5 a Write short notes on skimming strategy. CO3 L3 6M
b Distinguish between monopoly and perfect competition. CO3 L4 6M

OR

- 6 a State the marketing strategy based pricing. CO3 L1 6M
b Globalization is a means of attaining international standard of living. Do you agree with this statement. CO3 L5 6M

UNIT-IV

- 7 a What is the importance of Capital budgeting and briefly write its limitations? CO4 L1 6M
b What is meant by working capital and Describe the working capital cycle? CO4 L2 6M

OR

- 8 Consider the case of the company with the following two investment alternatives each costing Rs.9 lakhs. The details of cash inflows are as follows:

Year	Project1	Project2
1	3,00,000	6,00,000
2	5,00,000	4,00,000
3	6,00,000	3,00,000

Estimated the cost of capital is 10% per year. Determine NPV for the two projects.

UNIT-V

- 9 a Calculate debtors turnover ratio and debt collection period, if credit sales for the year Rs.9,00,000 debtors Rs.90,000 and bills payable Rs.60,000. **CO5 L5 6M**
- b Calculate the acid test ratio , if current assets Rs.8,00,000; Current liabilities Rs.4,00,000 and Stock Rs. 2,20,000. **CO5 L5 6M**

OR

- 10 a Write short notes on interest coverage ratio. **CO5 L3 6M**
- b Explain inventory turnover ratio and debtor's turnover ratio. **CO5 L2 6M**

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