SIDDHARTH INSTITUTE OF ENGINEERING & TECHONOLOGY: PUTTUR

Siddharth Nagar, Narayanavanam Road – 517583

QUESTION BANK (DESCRIPTIVE

Subject with Code : MEFA(18HS0812)   **Course & Branch**: B Tech. ECE

Year & Sem: II- B Tech & II-Sem   **Regulation:** R18

UNIT –I

1. Define Managerial Economics. Explain the Nature of Managerial Economics   12M

2. What is Managerial Economics? Define the scope of Managerial Economics?   12M

3. What is Demand and what are factors governing of demand.   12M

4. What is the main area of Managerial Economics in decision making?   12M

5. What meant Demand and explain the types of Demand   12M

6. Define the law of demand. What are their exceptions?   12M

7. Define Elasticity of demand and Explain Measurement of Elasticity of Demand   12M

8. What is Elasticity of demand and its types of Elasticity of Demand   12M

9. Define the term Demand? List out and explain the determinants of demand?   12M

10. Short answer questions:

   a) Micro economics   2 M

   b) Elasticity of Demand   2 M

   c) Demand forecasting   2 M

   d) Time Series Analysis   3 M

   e) Survey Methods   3 M

UNIT II

1. Define production function and explain it. 12M

2. Explain Iso-quant and Iso-cost curves and state characteristics. 12M

3. Explain 'Law of returns to scale'. 12M

4. Define 'Cost'. How are costs classified? Explain any five important cost concepts useful for managerial decisions. 12M

5. Define Break-even point with graph and state the assumptions. 12M

6. A firm has Fixed Cost of Rs 10000/-, selling price per unit is Rs.5/- and variable cost per unit is Rs. 3/- 12M

(a). Determine Break Even Point in terms of Volume and also Sales Value

(b). calculate the Margin of safety considering that the actual production is 8000 units

7. from the following information relating to Hi-Tech publishers you are required to find out (A) Break-even point in units (B) Margin of Safety.

12M

	Year 1(in Rs.)	Year 2(in Rs.)
Sales	50000	120000
Fixed cost	10000	20000
Variable cost	30000	60000

8. What are the limitations and uses of Break-even analysis chart. 12M

9. Define economics of scales and diseconomies of scales 12M

10. Short answer questions:

a) Cobb-Douglas Production Function. 3 M
b) MRTS 2 M
c) Least cost production function 2 M
d) Opportunity cost 2 M
e) Short run production function 3 M

UNIT III

1. Explain how price is determined under perfect competition.	12M
2. What is market? Explain the structure of market.	12M
3. Distinguish between monopoly and perfect competition.	12M
4. Define Oligopoly and state the features.	12M
5. What are different methods of pricing followed by companies?	12M
6. Explain the pricing strategies for a new product.	12M
7. What is Perfect Competition? Describe its features.	12M
8. Write a short notes on new economic environment	12M
9. What is meant by economic liberalization, economic privatization and globalization	12M

10. Short answer questions:

a) Monopolistic competition	3 M
b) Cost plus pricing	2 M
c) Skimming pricing	2 M
d) Characteristics of Monopoly.	3 M
e) Market Penetration	2 M

UNIT – IV

1. Explain the methods of capital budgeting. 12M

2. Explain briefly Net Present Value technique of capital budgeting. 12M

3. The cost of a project is Rs.50,000 which has an expected life of 5 years. The cash inflows for next 5 years are Rs.24,000; Rs.26,000; Rs.20,000; Rs.17000 and Rs.16,000 respectively. Determine the Payback period. 12M

4. 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: 12M

	Machine Y	**Machine Z**
Initial cost		
Net cash flow	20,000	20,000
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

5. The cost of the project is Rs.100000. which has an expected life of five years. The cash inflow for the next five years are Rs.34000, Rs.26000, Rs.47000,Rs33000 and Rs.26000 respectively determine payback period. 12M

6. 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: 12M

Year	Project 1	Project 2
1	3,00,000	6,00,000
2	5,00,000	4,00,000
3	6,00,000	3,00,000

The cost of capital is 10% per year with NPV Method

7. What is the importance of Capital budgeting and its limitations?   12M

8. Define Accounting rate of return method   12M

9. What is meant by working capital and working capital cycle?   12M

10. Write a short notes on

        a.   Payback period   2 M

        b.   Net present Value method   3 M

        c.   Fixed capital   2 M

        d.   Internal Rate of Return   3 M

        e.   Working capital   2 M

UNIT- V

1. What is meant by Ratio analysis? Explain briefly about various types of ratios.   12M

2. (a) write a short note on the following   12M

    i) Liquidity ratio   ii) Define Debt Collection   Period.

  (b) A firm's sales during the year was Rs.4,00,000 of which 60 percent were on credit

    Basis. The balance of debtors at the beginning and at the end of the year were

    Rs.25,000 and Rs.15,000 respectively. Calculate debtors turnover ratio of the firm.

    And also find out debt collection period.

3. Write a short note on Journal and Ledger with format.   12M

4. a) Write short notes on Inventory turnover ratio   12M

  b) A firm sold good worth Rs.5,00,000 and its gross profit is 20% of sales value. The inventory at

    the beginning of the year was Rs. 16,000 and at the end of the year were 14,000. Compute

    inventory turnover ratio and the inventory holding period

5. (a) Write a short note on the following

    (i)Activity ratio   12M

    (ii) Profitability ratio

  (b) The Earnings Before Interest and Tax (EBIT) of a company is Rs.5,60,000. Its fixed

    commitments include payment of 10% on 7000 debentures of Rs.100 each.

    Calculate the Interest Coverage Ratio.

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

                                                          12M

        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

7.   A) Write short notes on debtors turnover ratio   6M

      B) A firm sale during the year was Rs.4,00,000 of which 60% were on credit basis. The balance of debtor at the beginning and end of the year were 25000 and 15000 respectively calculate debtor turn over ration of the firm. Also find out debt collection period   6 M

8.   A) Write about various types of accounts and their rules governing each account.   6 M

      B) Mention the advantages of double-entry book-keeping.   6 M

9.   Journalize the following transactions in the books of Amrutha.   12M

      2012, Jan 1   Amrutha commenced business with cash Rs.50,000

             2   Purchased goods for cash Rs.10,000

             3   Purchased goods from Mohan Rs.6,000

             7   Paid into bank Rs.5,000

            10   Purchased furniture Rs.2000

            20   Sold goods to Suresh on credit Rs.5,000

            25   Cash sales Rs. 3,500

            26   Paid to Mohan on account Rs.3,000

            31   Paid salaries Rs.2,800

10. Short answer questions:

      a. Journal   2 M

      b. Trial balance   2 M

      c. Balance sheet   3 M

      d. Types of accounts   2 M

      e. Double entry system   3 M