

SIDDHARTH INSTITUTE OF ENGINEERING & TECHNOLOGY: PUTTUR
(AUTONOMOUS)

Siddharth Nagar, Narayanavanam Road – 517583



Subject with Code: MEFA (23HS0848)

Course & Branch: B.Tech – COMMON TO ALL

Year & Sem: II-B.Tech & II-Sem

Regulation: R23

UNIT – I

INTRODUCTION TO MANAGERIAL ECONOMICS

1	a) Definition of Managerial Economics. b) What is law of demand? c) What is Elastic Demand and inelastic demand? d) List out the interdisciplinary of managerial economics. e) What are the advantages of managerial economics?	[L1][CO1] [L1][CO1] [L1][CO1] [L1][CO1] [L1][CO1]	2M 2M 2M 2M 2M
2	a) Identify nature of managerial economics through its definitions. b) Analyze the significance of managerial economics in decision-making?	[L2][CO1] [L3][CO1]	[5M] [5M]
3	a) What is Managerial Economics? Briefly explain the role of managerial economics in business decision making. b) Define Elasticity of demand? Explain various measures of Elasticity of Demand?	[L2][CO1] [L1][CO1]	[5M] [5M]
4	“Managerial economics is the integration of economic theory with business practice for the purpose of facilitating decision making and forward planning by Management”. Comment.	[L4][CO1]	[10M]
5	a) What is demand analysis and its types in detail. b) The demand for a particular product depends on several factors –Discuss.	[L1][CO1] [L2][CO1]	[5M] [5M]
6	Describe the “Law of Demand” and its exceptions with diagram.	[L2][CO1]	[10M]
7	What do you mean by elasticity of demand? State the different types of elasticity of demand.	[L2][CO1]	[10M]
8	Define the elasticity of demand? List out the factors governing elasticity of demand.	[L4][CO1]	[10M]
9	How do you measure elasticity of demand? Illustrate How you interpret the different Type of elasticity.	[L3][CO1]	[10M]
10	What do you mean by demand forecasting? Explain various demand forecasting techniques.	[L2][CO1]	[10M]
11	Define demand forecasting and explain factors governing demand forecasting.	[L2][CO1]	[10M]

UNIT –II
THEORY OF PRODUCTION AND COST ANALYSIS

1	a) Define production function? b) What is Breakeven point? c) Define fixed cost with examples? d) Write formula for BEP? e) What are isoquants features?	[L1] [CO2] [L1] [CO2] [L1] [CO2] [L1] [CO2] [L1] [CO2]	[2M] [2M] [2M] [2M] [2M]
2	Given a production scenario where labor is the only variable input, apply the production function to determine how changes in the number of workers affect output.	[L3] [CO2]	[10M]
3	Explain the concept of isoquants and iso-costs. How do they help firms determine the least cost combination of inputs?	[L2] [CO2]	[10M]
4	Explain the assumptions made during Break-even Analysis. How do these assumptions impact the validity of the analysis?	[L2] [CO2]	[10M]
5	Analyze a graph showing total costs and revenue. At what point do the two lines intersect, and what does this tell you about the business's financial situation?	[L4] [CO2]	[10M]
6	What is break even analysis? How do you determine breakeven point? Illustrate.	[L1] [CO2]	[10M]
7	A Firm has a fixed cost of Rs 50000/- selling price per unit Rs50/- and variable cost per unit Rs 25/- present level of production is 3500/- units i) Determine BEP in terms of volume and also sales value. ii) Calculate the margin of safety. iii) What is the change in BEP and margin of safety if Fixed cost increases from Rs50000/- to Rs 60000/-	[L4] [CO2]	[10M]
8	A firm has Fixed Cost of Rs 10000/-, selling price per unit is Rs.5/- and variable cost per unit is Rs. 3/- (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.	[L4] [CO2]	[10M]
9	From the following information relating to Hi-Tech publishers, you are required to find out i) Break-even point ii) Margin of Safety. <div><div></div><div><div>Year 1(in Rs.)</div><div>Year 2(in Rs.)</div></div><div><div>Sales</div><div>50000</div><div>120000</div></div><div><div>Fixed cost</div><div>10000</div><div>20000</div></div><div><div>Variable cost</div><div>30000</div><div>60000</div></div></div>	[L5] [CO2]	[10M]
10	Explain the concepts of short-run and long-run production in the production function. How does the level of variable and fixed inputs differ between the two?	[L2] [CO2]	[10M]
11	A high-tech rail can carry a maximum of 36,000 passengers per annum at a fare of Rs. 400. The variable cost per passenger is Rs.150 while the fixed costs are 25,00,000 per year. Find the break- even point in terms of number of passengers and also in terms of fare collections.	[L5] [CO2]	[10M]

UNIT –III**BUSINESS ORGANIZATION AND MARKET**

1	a) Define sole trader?	[L1][CO3]	[2M]
	a) What are meant Partnership Deed?	[L1][CO3]	[2M]
	b) Define market structure?	[L1][CO3]	[2M]
	c) Explain about marker Penetration?	[L1][CO3]	[2M]
	d) What is meant by monopoly?	[L1][CO3]	[2M]
2	"I'm deciding between starting a business as a sole trader or entering a partnership. What are the key advantages and disadvantages of each structure?"	[L2][CO3]	10M
3	a) What is an oligopoly, and what are its key features?	[L1][CO3]	[5M]
	b) Explain the key features of perfect competition and imperfect competition. How do they differ in terms of market structure and pricing?	[L2][CO3]	[5M]
4	Given a scenario where an individual wants to start a small local shop, how would the sole trader form of business organization benefit this individual?	[L3][CO3]	[10M]
5	Explain the concept of a Joint Stock Company. How does it differ from other forms of business organizations such as sole proprietorships or partnerships?	[L2][CO3]	[10M]
6	What is a partnership? What are the key characteristics of a partnership form of organization?	[L1][CO3]	[10M]
7	Explain the concept of market structure. How are markets classified based on the degree of competition?	[L2][CO3]	[10M]
8	a) Define market and explain features of monopoly.	[L2][CO3]	[5M]
	b) What is meant by perfect competition? Explain its features.	[L1][CO3]	[5M]
9	Define a Monopoly market? How the Price-Output determination is made under Monopoly Markets? Explain with a diagram.	[L1][CO3] [L2][CO3]	[5M] [5M]
10	If you were to start a new business, which form of business organization would you choose and why?	[L3][CO3]	[10M]
11	a) If you were launching a new product in a competitive market, which of the five pricing methods would you choose and why?	[L3][CO3]	[5M] [5M]
	b) Distinguish between monopoly and perfect competition.	[L2][CO3]	

UNIT-IV
CAPITAL AND CAPITAL BUDGETING

1	a) Explain types of capital? b) What are tangible Assets? c) Define Net Present Value. d) Example for current assets. e) Define Payback period.	[L2][CO4] [L1][CO4] [L1][CO4] [L3][CO4] [L1][CO4]	[2M] [2M] [2M] [2M] [2M]															
2	a) What is capital, and why is it needed by businesses? b) If a company is planning to expand its operations, how might the factors be determining the requirement of working capital change?	[L1][CO4] [L3][CO4]	[5M] [5M]															
3	a) What is the importance of capital budgeting, and what are its limitations? b) What is capital budgeting? Explain the significance of capital budgeting.	[L2][CO4] [L2][CO4]	[5M] [5M]															
4	a) Explain the different major sources of finance that a business can use. How do these sources help in funding business operations? b) What are the advantages and disadvantages of the Payback Method in capital budgeting?	[L2][CO4] [L42][CO4]	[5M] [5M]															
5	a)The cost of project-A is Rs 50000 and cost of project-B is Rs1,00,000 the annual cash inflow for the next 4 years are Rs 25000. What is the Payback period for the Project A & B? b) 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.	[L5][CO4] [L5][CO4]	[5M] [5M]															
6	Two projects, costing Rs 250000 each have the following cash inflows both have thesame which one do you choose and why? <table><tr><td>Years</td><td>1</td><td>2</td><td>3</td><td>4</td></tr><tr><td>Machine X</td><td>90000</td><td>160000</td><td>120000</td><td>70000</td></tr><tr><td>Machine Y</td><td>160000</td><td>120000</td><td>90000</td><td>50000</td></tr></table> Calculate: i) Pay Back Period ii) Accounting rate of Return	Years	1	2	3	4	Machine X	90000	160000	120000	70000	Machine Y	160000	120000	90000	50000	[L5] [CO4]	[10M]
Years	1	2	3	4														
Machine X	90000	160000	120000	70000														
Machine Y	160000	120000	90000	50000														
7	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: <table><tr><td>Year</td><td>1</td><td>2</td><td>3</td></tr><tr><td>Project-A</td><td>3,00,000</td><td>5,00,000</td><td>6,00,000</td></tr><tr><td>Project-B</td><td>6,00,000</td><td>4,00,000</td><td>3,00,000</td></tr></table> Estimated the cost of capital is 10% per year. Determine NPV for the two projects.	Year	1	2	3	Project-A	3,00,000	5,00,000	6,00,000	Project-B	6,00,000	4,00,000	3,00,000	[L5][CO4]	[10M]			
Year	1	2	3															
Project-A	3,00,000	5,00,000	6,00,000															
Project-B	6,00,000	4,00,000	3,00,000															
8	a) Explain the concept of the payback period and how it is used in capital budgeting decisions. b) The cost of the project is Rs.10,00,000, which has an expected life of five years. The cash inflow for the next five years are Rs.3,20,000, Rs.3,80,000, Rs.3,00,000, Rs 3,00,000 and Rs.2,60,000 respectively Determine payback period.	[L2][CO4] [L5][CO4]	[5M] [5M]															
9	Imagine you are a financial manager in a company. How would you use capital budgeting techniques to assess a new investment project?	[L3][CO4]	[10M]															
10	How would you apply Net Present Value (NPV) to assess the feasibility of a new investment project for your company? What would be some advantages and disadvantages you should consider?	[L3][CO4]	[10M]															
11	A company is considering two investment opportunities (A&B) that cost Rs 4,00,000 and Rs 3,00,000 respectively. The first project generates Rs1,00,000, Rs 1,00,000, Rs1,00,000, Rs 1,00,000 over a 4-year period. The second generates Rs 60,000, Rs1,00,000, Rs 80000, Rs90000 and Rs70000 over a 5-year period. A company’s cost of capital is 8%. Which one do you choose under NPV method?	[L4][CO4]	[10M]															

UNIT –V**INTRODUCTION TO FINANCIAL ACCOUNTING AND ANALYSIS**

1	a) Define journal. b) List out the types of Accounts. c) Format of Ledger Account. d) Define Accounting. e) Write formula of current Ratio.	[L1][CO5] [L1][CO5] [L1][CO5] [L1][CO5] [L1][CO5]	[2M] [2M] [2M] [2M] [2M]																																												
2	What is meant by Ratio? Explain briefly about various types of ratios.	[L1][CO5]	[10M]																																												
3	Define accounting with the significance of accounting and its advantages.	[L1][CO5] [L2][CO5]	[5M] [5M]																																												
4	Write short notes on Journal and Ledger with format. Trading account with format	[L2][CO5]	[10M]																																												
5	a) Elucidate the accounting cycle. b) State the concept of double entry book keeping.	[L2][CO5] [L2][CO5]	[5M] [5M]																																												
6	a) Write about various types of accounts and their rules governing each account b) write short notes of activity ratio.	[L2][CO5] [L2][CO5]	[5M] [5M]																																												
7	From the following balance Sheet of XYZ Co. Ltd., Calculate liquidity ratios. Balance sheet of XYZ Co. Ltd. As on 31.12.2022 <table border="1" data-bbox="198 940 1179 1329"> <thead> <tr> <th>Liabilities</th><th>Rs</th><th>Assets</th><th>Rs</th></tr> </thead> <tbody> <tr> <td>Preference share capital</td><td>100</td><td>Lands and buildings</td><td>225</td></tr> <tr> <td>Equity share capital</td><td>150</td><td>Plant and Machinery</td><td>250</td></tr> <tr> <td>General reserve</td><td>250</td><td>Furniture and Fixtures</td><td>100</td></tr> <tr> <td>Debentures</td><td>400</td><td>Stock</td><td>250</td></tr> <tr> <td>Creditors</td><td>200</td><td>Debtors</td><td>125</td></tr> <tr> <td>Bills Payable</td><td>50</td><td>Cash at Bank</td><td>250</td></tr> <tr> <td>Outstanding Expenses</td><td>50</td><td>Cash in hand</td><td>125</td></tr> <tr> <td>Profit and loss account</td><td>100</td><td>Prepaid expenses</td><td>50</td></tr> <tr> <td>Bank Loan</td><td>200</td><td>Marketable securities</td><td>125</td></tr> <tr> <td>Total</td><td>1500</td><td>Total</td><td>1500</td></tr> </tbody> </table>	Liabilities	Rs	Assets	Rs	Preference share capital	100	Lands and buildings	225	Equity share capital	150	Plant and Machinery	250	General reserve	250	Furniture and Fixtures	100	Debentures	400	Stock	250	Creditors	200	Debtors	125	Bills Payable	50	Cash at Bank	250	Outstanding Expenses	50	Cash in hand	125	Profit and loss account	100	Prepaid expenses	50	Bank Loan	200	Marketable securities	125	Total	1500	Total	1500	[L5][CO5]	[10M]
Liabilities	Rs	Assets	Rs																																												
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Total	1500	Total	1500																																												
8	Write short notes on Inventory Turnover Ratio and Inventory holding periods. And also calculate with following data. A Firm sold goods worth Rs 5, 00,000 and its grossprofit is 20 percent of sales value. The inventory at the beginning of the year was Rs 16000and at end of the year was 14000.	[L5][CO5]	[10M]																																												
9	a) Write a short note on the following Liquidity ratio. b) A firm's sales during the year were Rs. 4, 00,000 of which 60 percent were on credit basis. The balance of debtors at the beginning and end of the year were 25,000 and15, 000 respectively. Calculate debtor's turnover ratio of the firm, also find out Debt collection period.	[L2][CO5] [L5][CO5]	[5M] [5M]																																												
10	a) Write short notes on Liquidity ratios. b) Explain Gross profit ratio and Net profit ratio.	[L2][CO5] [L2][CO5]	[5M] [5M]																																												
11	Journalize the following transactions in the books of Ms Ambani 2023, Jan 1 Ambani commenced business with cash Rs.5,00,000 2 Purchased goods for cash Rs.20,000 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	[L2][CO5]	[10M]																																												

	25	Cash sales Rs. 3,500		
	26	Paid to Mohan on account Rs.3,000 Paid salaries Rs.2,800		

Prepared by:

Department of MBA

