

**ANURAG Engineering College**  
(An Autonomous Institution)

**III B.Tech I Semester Supplementary Examinations, December – 2024**  
**MANAGERIAL ECONOMICS & FINANCIAL ANALYSIS**  
(COMMON TO CIVIL & EEE)

Time: 3 Hours

Max.Marks:75

**Section – A (Short Answer type questions)****(25 Marks)****Answer All Questions**

	Course Outcome	B.T Level	Marks
1. What is price elasticity?	CO1	L1	2M
2. Write about the exceptions of Law of Demand.	CO1	L2	3M
3. Write a short note on production function.	CO2	L1	2M
4. Define the term MRTS.	CO2	L1	3M
5. State the features of monopolistic competition.	CO3	L2	2M
6. What is two -part pricing?	CO3	L1	3M
7. What is working capital?	CO4	L1	2M
8. Write a short note on payback period.	CO4	L2	3M
9. What is Ledger?	CO5	L1	2M
10. Write a short note on Stock Turnover Ratio.	CO5	L2	3M

**Section B (Essay Questions)****Answer all questions, each question carries equal marks.****(5 x 10M = 50M)**

11. A) Discuss the factors determining the demand of a product with suitable example. CO1 L3 10M

**OR**

B) What is demand forecasting? Explain the methods of demand forecasting. CO1 L3 10M

12. A) What are economies of scale? Explain Internal and external economies of scale. CO2 L2 10M

**OR**

B) i) Explain Break Even analysis with diagram. CO2 L2 5M  
ii) From the following data find out Break even sales. 5M

Sales	Rs.80000
Fixed expenses	Rs.20,000
Variable costs:	
Direct Labour	Rs.12,000
Direct Material	Rs.20,000
Other variable expenses	Rs. 8000
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	40,000
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13. A) Explain the price output determination under perfect competition. CO3 L3 10M  
**OR**  
 B) Write a short note on CO3 L3 10M  
 i) Cost plus pricing  
 ii) Marginal cost pricing  
 iii) Penetration pricing  
 iv) Peak load pricing
14. A) What is capital Budgeting. Explain the nature and significance capital Budgeting. CO4 L3 10M  
**OR**  
 B) A company has two capital proposals under consideration. The cost of both the proposals is RS. 3, 00,000 each. The company's cost of capital is Rs. 12%. Cash inflows after tax are as under.  

Year	1	2	3	4	5
Proposal X	90,000	1,20,000	1,50,000	75000	50000
Proposal Y	30,000	90,000	1,20,000	1,80,000	1,20,000

 Choose the better alternative under NPV method. CO4 L3 10M
15. A) Present the financial statements of the business CO5 L3 10M  
**OR**  
 B) Calculate the Gross profit ratio; Net profit ratio and Operating ratio from the given information and also interpret the results. CO5 L3 10M  
 Sales Rs.20,00,000  
 Cost of goods sold Rs. 12,00,000  
 Selling Expenses Rs. 200,000  
 Administrative expenses Rs. 2,00,000  
 Depreciation Rs. 4,00,000