

**ANURAG Engineering College**

(An Autonomous Institution)

III B.Tech II Semester Supplementary Examinations, Dec-2023/Jan-2024

**MANAGERIAL ECONOMICS AND FINANCIAL ANALYSIS**

(COMMON TO ECE &amp; CSE)

**Time: 3 Hours****Max.Marks:75****Section – A (Short Answer type questions)****(25 Marks)****Answer All Questions**

	<b>Course Outcome</b>	<b>B.T Level</b>	<b>Marks</b>
1. What are the assumptions in law of demand?	CO1	L2	2M
2. Identify the factor that govern the elasticity of demand.	CO1	L2	3M
3. Explain the features of isoquant.	CO2	L2	2M
4. What are returns to scale and return to factors?	CO2	L2	3M
5. Explain cross substitution with an example.	CO3	L2	2M
6. Distinguish between perfect competition and monopoly.	CO3	L2	3M
7. Briefly explain the types of capital.	CO4	L2	2M
8. What is IRR? What is its significance in a project?	CO4	L2	3M
9. Explain the golden rules of accountancy for various types of accounts.	CO5	L2	2M
10. What is a trial balance? Illustrate the errors that are not revealed by trial balance.	CO5	L2	3M

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

11. A) What is elasticity of demand? Explain the various types of elasticity of demand.	CO1	L3	10M
<b>OR</b>			
B) Write short notes on: i) Statistical methods of forecasting. ii) Expert Opinion Method, iii) Test Marketing	CO1	L3	10M
12. A) Analyse the laws of returns to scale in detail.	CO2	L3	10M
<b>OR</b>			
B) i) What are the assumptions of Break-even point? ii) Calculate the BEP in terms of volume and sales value basing on the following data. Fixed Cost: Rs.50000 Sale Price: Rs.50 P/U. Variable Cost: Rs.25 P/U Production level is 3500 units.	CO2	L3	10M
13. A) How is price determined in perfect competition?	CO3	L3	10M
<b>OR</b>			
B) Write short notes on: i) Cost Plus Pricing. ii) Marginal Cost Pricing's iii) Going rate Pricing.	CO3	L3	10M
14. A) Write short notes on: i) Net Present Value. ii) Internal Rate of Return. iii) Accounting Rate of Return	CO4	L3	10M

**OR**

B) From the following information, calculate Pay Back Period and Average rate of return. CO4      L3      10M  
 The initial outlay of a project is Rs. 100000. The year ending cash flows are: (in Rs.)  
 1<sup>st</sup> year -60000; 2<sup>nd</sup> year: 30000    3<sup>rd</sup> year-20000    4<sup>th</sup> year-50000  
 and 5<sup>th</sup> year – 50000  
 Depreciation is calculated at 20% and tax rate at 50%.

15. A) i) What is a Ratio Analysis? Bring out its advantages/applications in business. CO5      L3      10M  
 ii) “Ratio Analysis is subject to lot of limitations”, critically examine the statement.

**OR**

B) From the following trading, profit and loss account and balance sheet. CO5      L3      10M

Trading Account of M/s XYZ Ltd

Dr.		Amount in Rs.
Cr		
To Opening Stock	500000	
Purchases	1100000	
Wages	300000	
Factory Overheads	200000	
Gross Profit	500000	
	2600000	
To Administrative Expenses	75000	
Sales and Distribution Exp	50000	
Int.on Debentures	20000	
Depreciation	60000	
Loss on sale of Machinery	5000	
To Net Profit	320000	
	5,30,000	
		2600000
		2600000
		500000
		10000
		20000
		5,30,000

- Calculate:
- |                           |                             |
|---------------------------|-----------------------------|
| i) GP Ratio               | ii) NP Ratio.               |
| iii) Operating Profit and | iv) Operating Profit Ratio. |