Hall Ticket Number :							
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Code: 4GA51

III B.Tech. I Semester Supplementary Examinations May 2019

Managerial Economics and Financial Analysis

(Common to CE, ME and ECE)

Max. Marks: 70 Time: 3 Hours

Answer all five units by choosing one question from each unit ($5 \times 14 = 70$ Marks)

UNIT-I

1. What do you understand by elasticity of demand? How do you measure its. What is its significance?

OR

2. Write elasticity demand and factors governing elasticity of demand.

UNIT-II

3. State the break even analysis? Explain objectives, importances and show the graphical representation of BEP.

OR

4. Rainbow enterprises deals in the supply of computers the following cost data available for two successive periods

	Year 1 Rs	Year 2 Rs
sales	50000	120000
Fixed costs	10000	20000
Variable cost	30000	60000

determine

a) p/v ratiob) breakeven pointc) margin of safetyd marks5 marks5 marks

UNIT-III

5. Elaborate monopoly market and price out-put determination in short run and long run.

OR

- 6. a) What are the causes for the emergence of monopoly?
 - b) How is the equilibrium position attained by monopoly list under varying cost conditions?

UNIT-IV

7. What is working capital? Explain the factors governing working capital requirements?

OR

8. A business firm is thinking of choosing the right machines for their purpose after financial evolution of the proposals the initial cost and the net cash flow over five years to the business firm have been calculated for each machine as follows.

	Machine 1 (Rs)	Machine 2 (RS)
Initial cost	20000	28000
annual cash inflow 1year	8000	10000
2 year	12000	12000
3 year	9000	12000
4 year	7000	9000
5 year	6000	9000

Choose the machine based on i) payback period ii) accounting rate return

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UNIT-V

9. From the following trial balance of xyz ltd prepare trading and profit&loss account for the year ending 31-3-2017 and balance sheet as on date considering the adjustments given below:

Debit balances	Rs	Credit balances	Rs
buildings	70000	Carriage in wards	1291
Motor trucks	12000	Reserve doubtful debts	1320
furniture	1640	Establishments expenses	2135
debtors	15600	Carriage out wards	800
creditors	18852	insurance	783
stock	15040	interest	340
Cash in hand	988	bad debts	613
Cash at bank	14534	Audit fee	400
Bills receivables	5844	General expenses	3050
purchases	85522	investments	8922
discount	945	sales	121850
Returns in word	285	capital	920000
		Bills payable	6930
		rent	900

Adjustments: 1) closing stock Rs 15000 2) depreciation on motor trucks 20% and furniture 10% per annum 3)write of bad debts of Rs100 and maintain at 5% reserve for doubtful debts 4) prepaid insurances Rs 150 5)interest accrued but not received Rs 120

OR

10. Write Short notes on

a) Liquidity ratiosb) Profitability ratiosc) Activity ratios4M

d) Capital structure ratios are illustrating suitable example. 3M
