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R-14

Code: 4GA51

III B.Tech. I Semester Supplementary Examinations November 2019

Managerial Economics and Financial Analysis

(Common to CE, ME & ECE)

Max. Marks: 70

Time: 3 Hours

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

UNIT-I

1. What do you mean by Managerial Economics? Describe the Nature and Scope of Managerial Economics?

OR

2. Discuss about the time perspective in business decision? Under what kind of business decisions time perspectives become an important consideration?

UNIT-II

3. What is meant by Elasticity of Demand? How is the Elasticity of Demand measured?

OR

4. Discuss about the cost – output relationship in the short run and the long run?

UNIT-III

5. “Monopolistic competition is the middle ground between perfect completion and monopoly” explain the statement in detail.

OR

6. Briefly explain the features, merits and demerits of public and private sector business organizations?

UNIT-IV

7. A company has **two** investment proposals each costing Rs.1,00,000 and the expected cash inflows are given below;

Year	1	2	3	4	5
Project – A	20,000	30,000	50,000	50,000	20,000
Project – B	35,000	35,000	35,000	35,000	35,000

The cost of capital is 10%. Calculate NPV and Profitability Index. Suggest the management.

OR

8. Define Accounting. Explain Double Entry Book Keeping System. Explain the classification of Accounts with detail examples?

UNIT-V

9. Elucidate the Solvency and Profitability Ratios?

OR

10. The following figures are extracted from the Balance Sheet of X Ltd., as on 31st December.

Particulars	2017 (Rs.)	2018 (Rs.)	Particulars	2017 (Rs.)	2018 (Rs.)
Stock	25,000	40,000	Bills Payable	2,000	3,000
Debtors	10,000	16,000	Provision for taxes	5,000	7,000
Cash at Bank	5,000	4,000	Bank Overdraft	5,000	15,000
Creditors	8,000	15,000			

Calculate the Current Ratio and Acid Test Ratio for the two years and comment on the Liquidity position of the company.
