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Code: 5GA51

III B.Tech. I Semester Supplementary Examinations August 2021

Managerial Economics and Financial Analysis

(Common to CE, ME & ECE)

Max. Marks: 70

Time: 3 Hours

Answer any five full questions by choosing one question from each unit (5x14 = 70 Marks)

Marks CO Blooms
Level

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| UNIT-I |
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1. Explain the meaning of Managerial Economics and state its relationship with other functional areas in decision making.

OR

2. Answer any two principles of Managerial Economics
- (a) Discounting Principle
 - (b) Incremental Concept
 - (c) Time Perspective

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| UNIT-II |
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3. What is elasticity of Demand and discuss the different types of price elasticity of Demand?

OR

4. Discuss the objectives, assumptions and importance of Break-even analysis.

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| UNIT-III |
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5. Explain Price-Output determination under perfect competition in long-run.

OR

6. Discuss the merits and demerits of Public and Private Sector Business Organizations.

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| UNIT-IV |
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7. From the following Trail Balance and additional information, you are required to prepare Final Accounts

From Prepare Final Accounts.

| Particulars | Dr. | Cr. |
|--------------------|--------|--------|
| | ₹ | ₹ |
| Capial | | 20,000 |
| Sundry Debtors | 5,400 | |
| Drawings | 1,800 | |
| Plant & Mtachinery | 7,000 | |
| Sundry Creditors | | 2,800 |
| Wages | 10,000 | |
| Purchases | 21,000 | |
| Opening Stock | 4,000 | |
| Bank Balance | 3,000 | |
| Carriage Charges | 300 | |
| Salaries | 400 | |
| Rent | 900 | |
| Sales | | 31,000 |
| | 53,800 | 53,800 |

Additional Information:

- (i) Closing Stock ₹ 1,800.
- (ii) Outstanding Rent ₹ 300 and outstanding wages ₹ 500.
- (iii) Charge Depreciation on Plant & Machinery at 20%.

OR

8. What is Capital Budgeting and how do you calculate the Net Present Value for the project?

UNIT-V

9. Explain any three ratios of the following
- (a) Debtors turn-over ratio
 - (b) Proprietary ratio
 - (c) Fixed assets turn-over ratio
 - (d) Absolute quick ratio

OR

10. With the help of the following ratios regarding XYZ Co, draw the Balance Sheet of the company for the year 2020.

| | | | |
|--------|--|---|-------------|
| (i) | Current Ratio | : | 2.5 |
| (ii) | Liquidity Ratio | : | 1.5 |
| (iii) | Net working Capital | : | ₹ 3,00,000 |
| (iv) | Stock Turnover Ratio (Cost of sales/closing stock) | : | 6 times |
| (v) | Gross Profit Ratio | : | 20 per cent |
| (vi) | Fixed Assets Turnover Ratio (on cost of sales) | : | 2 times |
| (vii) | Debt Collection Period | : | 2 months |
| (viii) | Fixed assets to shareholders net worth | : | 0.80 |
| (ix) | Reserve and surplus to capital | : | 0.50 |
