

**Reg. No:**

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**SIDDHARTH INSTITUTE OF ENGINEERING & TECHNOLOGY:: PUTTUR**  
(AUTONOMOUS)

**B.Tech III Year I Semester Supplementary Examinations July-2022**

**MANAGERIAL ECONOMICS & FINANCIAL ANALYSIS**

(Common to ECE & CSIT)

Time: 3 hours

Max. Marks: 60

(Answer all Five Units **5 x 12 = 60** Marks)

**UNIT-I**

1 Define Managerial Economics. Explain the Nature of Managerial Economics. **12 M**

**OR**

2 Define Elasticity of demand and Explain Measurement of Elasticity of Demand. **12M**

**UNIT-II**

3 The following information relating to Hi-Tech publishers you are required to find out **12M**

(i) Break-even point in units

(i) Margin of Safety.

	Year 1 (in Rs)	Year 2 (in Rs)
Sales	50000	120000
Fixed Cost	10000	20000
Variable Cost	30000	60000

**OR**

4 A firm has Fixed Cost of Rs 10000/-, selling price per unit is Rs.5/- and variable cost per unit is Rs. 3/- **12M**

i) Determine Break Even Point in terms of Volume and also Sales Value.

ii) Calculate the Margin of safety considering that the actual production is 8000 units.

**UNIT-III**

5 a Distinguish between monopoly and perfect competition **6M**

b Write short notes on new economic environment? **6M**

**OR**

6 a Explain how price is determined under perfect competition. **5M**

b What is Perfect Competition? Describe its features. **7M**

**UNIT-IV**

7 Consider the case of the company with the following two investment alternatives each co: lakhs. The details of cash inflows are as follows: **12M**

Year	Project 1	Project 2
1	3,00,000	6,00,000
2	5,00,000	4,00,000
3	6,00,000	3,00,000

The Cost of capital is 10% per year with NPV Method

**OR**

8 What is meant by working capital and working capital cycle? Explain working capital turnover ratio with detailed example. **12M**

**UNIT-V**

**9** What is meant by Ratio analysis? Explain briefly about various types of ratios.

**12 M**

**OR**

**10** Journalise the following transactions of Mr.Ravi and post them in the ledger and balance the same.

**12 M**

2010, June 1 Ravi invested Rs.5,00,000 cash in the business

3 Paid into bank Rs.80,000

5 Purchased building for Rs.3,00,000

7 Purchase goods for Rs.70,000

10 Sold goods for Rs.80,000

15 Withdrew cash from bank Rs.10,000

25 Paid electric charges Rs.3,000

30 Paid salary Rs.15,000

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