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SIDDHARTH INSTITUTE OF ENGINEERING & TECHNOLOGY:: PUTTUR
(AUTONOMOUS)**B.Tech III Year I Semester Regular Examinations Feb-2021**
MANAGERIAL ECONOMICS AND FINANCIAL ANALYSIS
(Common to EEE, CSE, CSIT)

Time: 3 hours

Max. Marks: 60

PART-A

(Answer all the Questions 5 x 2 = 10 Marks)

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|---|---|-----------------------------|----|
| 1 | a | Define demand. | 2M |
| | b | What is Economies of scale? | 2M |
| | c | What is LPG? | 2M |
| | d | Define NPV. | 2M |
| | e | Define Accounting. | 2M |

PART-B

(Answer all Five Units 5 x 10 = 50 Marks)

UNIT-I

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|---|---|---|----|
| 2 | a | What is Managerial Economics? Explain its Nature and scope. | 5M |
| | b | State the demand forecasting techniques. | 5M |

OR

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|---|---|---|----|
| 3 | a | Discuss the various determinants of demand with suitable examples. | 5M |
| | b | Distinguish between substitutes and complements with examples. How does this distinction of goods help in business decision making? | 5M |

UNIT-II

- | | | | |
|---|---|--|----|
| 4 | a | Explain the law of variable proportions with its different stages. | 5M |
| | b | What are the limitations and uses of Break-even analysis? | 5M |

OR

- 5 A firm has declared the following details about its sales:

Particulars	Year 1	Year 2	
Sales (Rs.)	1,50,000	2,00,000	
Profit (Rs.)	15,000	25,000	10M

- (i) Calculate PV Ratio.
(ii) Find out the firm's BEP
(iii) How much should the company produce and sell to earn profit of Rs.50, 000?

UNIT-III

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|---|---|--|----|
| 6 | a | Explain how price is determined under perfect competition. | 5M |
| | b | Explain briefly about New Economic Environment systems. | 5M |

OR

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|---|---|---|----|
| 7 | a | Distinguish between monopoly and perfect competition in detail. | 6M |
| | b | What are the objectives of pricing? | 4M |

UNIT-IV

- 8 Explain the different types of Capital Budgeting methods in detail. **10 M**

OR

- 9 A project involves initial outlay of Rs. 1, 30,000. Its working life is expected to be 3 years. The cash inflows are likely to be as follows:

Year	Inflows(Rs.)
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1	64000
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2	56000
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3	24000
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10 M

Compute the IRR.

UNIT-V

- 10 a Write about various types of accounts and their rules governing each account. **5 M**
 b What is Double entry system of accounting and state its advantages. **5 M**

OR

- 11 a Calculate Debtors turnover ratio and Debtors collection period. **5 M**
 If credit sales for the year Rs.9, 00,000, debtors Rs.90, 000 and bills payable Rs.60,000.
 b Calculate the current ratio , if current assets value is Rs.8,00,000; Current liabilities value is Rs.4, 00,000; **5 M**

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