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

**B.Tech III Year I Semester Supplementary Examinations August-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)

- |   |   |                                   |    |
|---|---|-----------------------------------|----|
| 1 | a | What is elasticity demand?        | 2M |
|   | b | What is Iso-quant?                | 2M |
|   | c | What is perfect competition?      | 2M |
|   | d | Explain accounting cycle.         | 2M |
|   | e | Write about profitability Ratios. | 2M |

**PART-B**

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

**UNIT-I**

- |   |   |  |    |
|---|---|--|----|
| 2 | a | What is the significance of Managerial Economics in decision-making? | 5M |
|   | b | State the demand forecasting techniques.                             | 5M |

**OR**

- |   |   |   |    |
|---|---|---|----|
| 3 | a | Define demand and describe its determinants with suitable examples.                                   | 5M |
|   | b | State the 'Law of Demand'. What are the various factors that determine the demand for a Mobile Phone? | 5M |

**UNIT-II**

- |   |   |  |    |
|---|---|--|----|
| 4 | a | Explain 'Law of returns to scale'.                 | 5M |
|   | b | Define Break-even point and state the assumptions. | 5M |

**OR**

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

	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**

- |   |   |   |    |
|---|---|---|----|
| 6 | a | Explain economic liberalization, privatization and globalization in detail. | 5M |
|   | b | What are the objectives of pricing?   | 5M |

**OR**

- |   |   |   |    |
|---|---|---|----|
| 7 | a | Distinguish between monopoly and perfect competition. | 6M |
|   | b | Explain the pricing strategies for a new product.     | 4M |

**UNIT-IV**

- 8 Explain the types of Capital Budgeting methods. 10 M

**OR**

- |   |   |   |    |
|---|---|---|----|
| 9 | a | The cost of a project is Rs.50,000 which has an expected life of 5 years. The cash Inflows for the next 5 years are Rs.24,000; Rs.26,000; Rs.20,000; Rs.17,000 and Rs.16,000 respectively. Determine the Payback period of the project. | 5M |
|   | b | What do you understand by time value of money? How is it helpful in Capital Budgeting?  | 5M |

**UNIT-V**

10 What is meant by Ratio analysis? Explain briefly about various types of ratios. **10 M**

**OR**

11 Journalize the following transactions of Mr. Ravi. **10 M**

- Jan 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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