

Code: CS8T1

**IV B.Tech - II Semester – Regular / Supplementary Examinations
March 2019**

**MANAGERIAL ECONOMICS & FINANCIAL ANALYSIS
(COMPUTER SCIENCE AND ENGINEERING)**

Duration: 3 hours

Max. Marks: 70

PART – A

Answer *all* the questions. All questions carry equal marks

11x 2 = 22 M

1.

- a) Equi-marginal Principle.
- b) Autonomous Demand.
- c) Total outlay Method.
- d) Delphi Method of demand forecasting.
- e) Isoquants.
- f) Economics of scale.
- g) Margin of Safety.
- h) Oligopoly.
- i) Market Penetration.
- j) Double-entry system.
- k) Internal Rate of Return.

PART – B

Answer any **THREE** questions. All questions carry equal marks.

3 x 16 = 48 M

2. a) Define Managerial Economics. Explain its nature. 8 M

b) What are the various determinants of demand? Explain. 8 M

3. a) Define Price elasticity of demand? Explain its types. 8 M

b) Explain the factors governing demand forecasting. 8 M

4. a) Discuss about Cob-Douglas production function. 8 M

b) Briefly explain the following: 8 M

- (i) Fixed cost. (ii) Explicit cost.
- (iii) Out of pocket cost. (iv) Opportunity cost.

5. a) Define Perfect Competition? Discuss its features. 8 M

b) Describe any two methods of pricing. 8 M

6. a) The following balances are extracted from the books of Chandra for the year ending 31st March, 2018. Prepare a Trading, Profit & Loss account and Balance sheet.

8 M

Particulars	Debit (Rs.)	Credit (Rs.)
Capital		70,000
Purchases	42,000	
Sales		80,000
Opening Stock	10,000	
Wages	4,000	
Debtors	25,000	
Creditors		10,000
Cash in hand	30,000	
Plant and Machinery	30,000	
Buildings	15,000	
Bills Receivable	10,000	
Bills Payable		6,000
Total	1,66,000	1,66,000

Adjustments:

i) Closing stock was valued at Rs. 30,000/-.

b) Consider the case of the company with the following two investment alternatives each costing ₹4,50,000. The details of the cash inflows are as follows:

8 M

Year	Cash flows (in ₹)	
	Project-1	Project- 2
1	1,50,000	3,00,000
2	2,50,000	2,00,000
3	3,00,000	1,50,000

The cost of capital is 10% per year. Which one will you choose under NPV Method?