

Code: CS8T1

**IV B.Tech - II Semester – Regular/Supplementary  
Examinations – May 2022**

**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) Explain Giffin's paradox.
- b) What is Zero income elasticity?
- c) Cross elasticity of demand.
- d) Explain the Law of Diminishing Marginal Utility.
- e) Cobb-Douglas Production function.
- f) What are Isoquants?
- g) Explain what is an Oligopoly?
- h) Define opportunity cost.
- i) Need for capital budgeting.
- j) Pay back method.
- k) Define Journal.

## PART – B

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

3 x 16 = 48 M

2. a) Explain the Assumptions made under law of demand and Factors affecting demand. 8 M  
b) Discuss the scope of Managerial Economics and its relation with other subjects. 8 M
3. a) Discuss the types of demand forecasting with suitable examples. 8 M  
b) Explain measurement of price Elasticity of demand. 8 M
4. a) Outline the importance of Economies of Scale and highlight factors of internal economies. 8 M  
b) Describe the Managerial Significance and limitations of BEP. 8 M
5. a) Classify market structures and explain each type of market with a suitable example. 8 M  
b) Explain the methods of pricing. 8 M
6. a) Compare and contrast different types of Ratios. 8 M

b) A firm is considering two projects, Project A and Project B, and wants to calculate the NPV for each project.

Year	Project A Cash flows (in Rs.)	Project B Cash flows (in Rs.)
1	5000	1000
2	4000	3000
3	3000	4000
4	1000	6750

The firm's cost of capital is 10 percent for each project, and the initial investment is Rs. 10,000/- which project is preferable.

8 M