

Code: EC7T6

**IV B.Tech - I Semester – Regular/Supplementary Examinations
JANUARY - 2022**

**MANAGERIAL ECONOMICS AND FINANCIAL
ANALYSIS
(ELECTRONICS & COMMUNICATION ENGINEERING)**

Duration: 3 hours

Max. Marks: 70

PART – A

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

11 x 2 = 22 M

1.

- a) Define Law of Demand.
- b) What are Veblen goods?
- c) What is Judgemental approach?
- d) What do you mean by price elasticity of demand?
- e) Write about Cobb-douglas production function.
- f) Where Total cost line and Total revenue line will meet?
- g) What is Implicit cost?
- h) What is Perfect Competition?
- i) Write the rule for Debit and Credit for Real account.
- j) What do you mean by ratio analysis?
- k) What is meant by Accounting rate of return?

PART – B

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

3 x 16 = 48 M

2. a) Define demand. Explain the demand schedule. 8 M

b) Explain determinants of demand. 8 M

3. a) Explain about Price elasticity and its measurement. 8 M

b) Discuss statistical methods of demand forecasting. 8 M

4. a) Why does law of diminishing returns operate? Illustrate with assumed data. 8 M

b) A Company reported the following results for two years

Year	Sales	Profit
I	Rs. 40,00,000	Rs. 4,00,000
II	Rs. 50,00,000	Rs. 6,00,000

Calculate PV ratio, BEP in Rs. 8 M

5. Prepare (i) Trading Account and (ii) Profit and Loss Account for the information given which is related to Sanath & Co for the year ended 31-12-2020.

Particulars	Dr. (Rs)	Cr. (Rs.)
Capital		7,610
Cash in hand	30	
Purchases	8,990	
Sales		11,060
Cash in Bank	885	

Fixtures and fittings	225	
Lighting and heating	65	
Freehold premises	1,500	
Bills receivable	825	
Returns inwards	30	
Salaries	1,075	
Creditors		1,950
Debtors	5,700	
Stock on 31-12-2020	3,000	
Printing	225	
Bills payable		1,875
Rates, taxes	190	
Discount received		445
Discount allowed	200	
	22,940	22,940

Stock as on 31-12-2020 was valued at Rs. 1800

16 M

6. a) From the following particulars, calculate

- i) Gross Profit Ratio
- ii) Net Profit Ratio and
- iii) Operating Ratio

Sales Rs. 5,00,000

Cost of goods sold Rs. 3,00,000

Operating expenses Rs. 1,00,000

Non-operating expenses Rs. 20,000

8 M

b) A project costing Rs.80000/- Annual cash inflows of Rs.40000/- after taxes for a period of six years. How much is the NPV if the firm expects (discount rate) 15% per annum?

8 M