

Code: EC7T6

**IV B.Tech - I Semester – Regular/Supplementary Examinations
October - 2018**

**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) List demand determinants.
- b) What is Micro Economics? Explain.
- c) What is Giffens Paradox?
- d) List factors governing demand forecasting.
- e) List different types of competition.
- f) What is Judgemental Approach?
- g) What are the Inputs of production Function?
- h) Write the difference between Explicit cost and Implicit Cost.
- i) What is a Journal?
- j) What is capital budgeting?
- k) Define Accounting rate of return.

PART – B

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

3 x 16 = 48 M

2. a) What are the basic Economic tools in Managerial Economics? Explain. 8 M

b) What is law of demand and its Exceptions? 8 M

3. a) Define Elasticity of Demand. Explain about the types of Elasticity of demand. 8 M

b)

Year	1992	1994	1996	1998	2000
Sales (Rs. in lakhs)	75	84	92	98	88

Estimate the Sales for the years 2002 to 2004 by using trend projection Method. 8 M

4. a) Define IsoQuant. What are its Features? Explain Briefly. 8 M

b) A High-Tech rail can Carry a maximum of 36000 passengers per annum at a fare of Rs 400. The variable cost of passenger is Rs.150. While the Fixed Costs are 25,00,000 per year. Find The Break-Even Point in terms of number of passengers and also in terms of fare collections. 8 M

5. a) Explain how price is determined in case of Perfect Competition? Illustrate. 8 M

b) What is the Importance of Trial Balance? And Prepare Trial Balance from following Information. 8 M

S.No.	Particulars	Amount
1	Capital	42,100
2	Furniture	800
3	Discount Received	800
4	Bad Debts	1,000
5	Drawings	900
6	Purchases	17,620
7	Rent Paid	1,120
8	Sales	35,320
9	Creditor	1,800
10	Sales Returns	400
11	Purchase Returns	600
12	Advertisement	500
13	Salaries	1,800
14	Investments	1,125
15	Discount Allowed	100
16	Cash In Hand	14,175
17	Cash At Bank	41,600
18	Discount Received	520

6. a) What do you understand by Financial Statement? Explain the purpose and Its Limitations. 8 M

b) Consider the case of the company with the following two investment alternatives *(M and N) each costing 9 lakhs. The details of the cash InFlows are as follows:

Cash Inflows	M (Rs. In lakhs)	N(Rs.In Lakhs)
1	3	6
2	5	4
3	6	3

Cost of capital is 10% per year. Which one do you choose under NPV Method and IRR Method?

8 M