

Code No: 56023

JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD**B. Tech III Year II Semester Examinations, December - 2017****MANAGERIAL ECONOMICS AND FINANCIAL ANALYSIS****(Common to CSE, ECE, MMT)****Time: 3 hours****Max. Marks: 75****Answer any five questions
All questions carry equal marks**

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- 1.a) Managerial Economics is multi-dimensional discipline. Explain.
b) Explain briefly the factors affecting demand of a commodity. [7+8]
- 2.a) Illustrate different types of elasticity.
b) What are the factors governing Demand forecasting. [7+8]
- 3.a) Explain the managerial uses of Production function.
b) A company makes a single product with a sales price of Rs.10 and a variable cost of Rs.6 per unit. Fixed costs are Rs.60,000. Calculate (i) Number of units to break –even (ii) Sales at break- even. [7+8]
- 4.a) What are the features of Perfect competition.
b) State the conditions in which Penetration and Skimming pricing strategies can be followed. [7+8]
- 5.a) Point out the merits and demerits of a Partnership organization.
b) What are the different types of Public enterprises in India? [7+8]
- 6.a) List and explain the sources of raising long term finance for an enterprise.
b) Rank the following investment projects according to Payback method and NPV method with a discounting rate of 5%. [7+8]

Project	Initial outlay (Rs)	Annual cash inflow(Rs)	Life in years
X	40,000	10,000	5
Y	20,000	6,000	5

Present value of Re 1/-

At a discounting rate of 10%

Year	rate
1	0.909
2	0.826
3	0.751
4	0.683
5	0.620

- 7.a) Every 'Debit' must have its corresponding 'credit'. Explain.
b) Prepare Trading Account of Rakesh from the following.

[7+8]

<u>Particulars</u>	<u>Rs.</u>
Stock on 31-12-08	36,500
Purchases	3,24,600
Purchase returns	6,300
Sales	5,62,400
Import duty	11,000
Freight	21,500
Dock dues and clearing charges	1,800
Sales returns	7,500
Stock on 31-3-09	42,100

8. Define and explain the importance of the following ratios
a) Current Ratio
b) Debt – equity ratio
c) Gross profit Ratio
d) Inventory Turnover ratio.

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