

**Code No: 125EG****JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD****B. Tech III Year I Semester Examinations, May - 2018****MANAGERIAL ECONOMICS AND FINANCIAL ANALYSIS****(Common to AME, EIE, IT, MSNT, ME, MCT, MIE)****Time: 3 hours****Max. Marks: 75****Note:** This question paper contains two parts A and B.

Part A is compulsory which carries 25 marks. Answer all questions in Part A. Part B consists of 5 Units. Answer any one full question from each unit. Each question carries 10 marks and may have a, b, c as sub questions.

**PART - A****(25 Marks)**

1. Write short notes on the following:
- |  |     |
|--|-----|
| a) Giffen's Paradox                        | [2] |
| b) Regression method of demand forecasting | [3] |
| c) Isoquants                               | [2] |
| d) Break-even point                        | [3] |
| e) Private Ltd. Company                    | [2] |
| f) Cost-Plus Pricing                       | [3] |
| g) Trade Credit                            | [2] |
| h) Cash Budget                             | [3] |
| i) Ledger                                  | [2] |
| j) Trial Balance                           | [3] |

**PART - B****(50 Marks)**

- 2.a) Discuss the nature and scope of Managerial economics.  
b) How do you express "Demand function"? [5+5]
- OR**
- 3.a) Explain with suitable diagrams, different kinds of Elasticity of demand.  
b) Describe the various factors involved in Demand forecasting of a product. [5+5]
- 4.a) Explain briefly Cobb-Douglas Production function.  
b) Analyse the Internal and External economies of large scale production. [5+5]
- OR**
- 5.a) Distinguish between Marginal cost and Opportunity cost.  
b) A Hitech bus between Khamam and Hyderabad carries 14,600 passengers per annum at a fare of Rs.300. The variable cost per passenger is Rs. 50 and the fixed cost is Rs. 4,00,000 per year. Find BEP in terms of passengers and in terms of fare collection. [5+5]

- 6.a) What is Monopolistic competition? State its features.  
 b) State the conditions under which Penetration and Skimming Pricing strategies can be followed. [5+5]

**OR**

- 7.a) Examine critically the merits and limitations of a Partnership organisation.  
 b) Discuss the changing business environment post Liberalization. [5+5]

8. Define Capital. How is it classified? What factors influence the volume of working capital needed by an organization? [10]

**OR**

- 9.a) What are the sources of raising Long-term capital for a business enterprise.  
 b) Explain briefly Net present value technique of a capital budgeting. [5+5]

- 10.a) What do you understand by Double Entry System of book-keeping?  
 b) Identify the Ratios that are used to find the soundness and strength of long-term financial position of a firm. [5+5]

**OR**

11. From the following Trial Balance and adjustments, prepare final accounts of Jain enterprises as on 31-03-2014.

**Trial Balance**

Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
Opening stock	1000	Capital	20000
Purchases	4000	Reserve for bad debts	200
Sales Returns	500	Sales	6000
Carriage inwards	600	Creditors	600
Wages	700		
Salaries	1000		
Interest	300		
Trade expenses	400		
Debtors	8000		
Bad debts	300		
Business premises	6000		
Bills receivable	4000		
	<b>26800</b>		<b>26800</b>

Adjustments :

- a) Closing stock Rs. 4000  
 b) Prepaid salaries Rs. 300  
 c) Bad Debts Rs. 500  
 d) Reserve for Bad debts 5%  
 e) Depreciation of Premises 5% .

[10]

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