

Code No: R18A0061**MALLA REDDY COLLEGE OF ENGINEERING & TECHNOLOGY****(Autonomous Institution – UGC, Govt. of India)****II B.Tech II Semester Supplementary Examinations, April 2023****Managerial Economics and Financial Analysis****(EEE, ECE, CSE & IT)**

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Time: 3 hours**Max. Marks: 70**

Note: This question paper Consists of 5 Sections. Answer **FIVE** Questions, Choosing ONE Question from each SECTION and each Question carries 14 marks.

SECTION-I

- 1 Explain how Managerial economics has roots in Economics and Management. [14M]
Does it have any links with other subjects?

OR

- 2 What is Demand forecasting? Explain the factors governing demand forecasting. [14M]

SECTION-II

- 3 Define production Function. Discuss in detail the different types of production functions. [14M]

OR

- 4 You are given the following information about two companies in 2000. [14M]

Particulars	Company A	Company B
Sales	Rs.50,00,000	Rs.50,00,000
Fixed Expenses	Rs.12,00,000	Rs.17,00,000
Variable Expenses	Rs.35,00,000	Rs.30,00,000

You are required to Calculate (For Both Companies). a)BEP (in Rs.) b) P/V Ratio
c) Margin of safety

SECTION-III

- 5 Compare and contrast between Perfect competition and Monopoly. [14M]

OR

- 6 Explain the features and evaluation of different forms of business organization. [14M]

SECTION-IV

- 7 What is working capital? Explain the factors that determine the working capital requirements of company? [14M]

OR

- 8 Explain various concepts and conventions of accounting. [14M]

SECTION-V

- 9 A Company has at hand two proposals for consideration. The cost of the proposals in both the cases is Rs. 5, 00,000 each. A discount factor of 12% may be used to evaluate the proposals. Cash inflows after taxes are as under. [14M]

Year	Proposals X(Rs.)	Proposals Y(Rs.)
1	1,50,000	50,000
2	2,00,000	1,50,000
3	2,50,000	2,00,000
4	1,50,000	3,00,000
5	1,00,000	2,00,000

Which one will you recommend under NPV method?

OR

- 10** How are ratios classified for the purpose of financial analysis? Explain ratios [14M]
under each category with formulae.
