Code No: R20A0061

## MALLA REDDY COLLEGE OF ENGINEERING & TECHNOLOGY

# (Autonomous Institution – UGC, Govt. of India)

# II B.Tech II Semester Regular/Supplementary Examinations, July 2023

Managerial Economics and Financial Analysis

### (EEE, ECE & AE)

### Time: 3 hours

Max. Marks: 70

**R20** 

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

1	A	SECTION-I Explain the Nature of Managerial Economics	Marks [7M]
	B	Discuss the scope of Managerial Economics	[7M]
2	٨	OR Infer factors governing of demand	[ <b>7</b> ]
4	A B	Define the law of demand. What are their exceptions?	[7M]
	2	SECTION-II	[,=]
3	$\boldsymbol{A}$	Define production function and explain it.	[7M]
	B	Explain Iso-quant and Iso-cost curves and state characteristics.	[7M]
		OR	
4	A	Explain 'Law of returns to scale'	[7 <b>M</b> ]
	В	Define 'Cost'. How are costs classified? Explain any five important cost	[7M]
		concepts useful for managerial decisions.	
5	A	Explain how price is determined under perfect competition	[7M]
U	B	What is market? Explain the structure of market	[7M]
		OR	
6	$\boldsymbol{A}$	Distinguish between monopoly and perfect competition.	[7M]
	B	Define Oligopoly and state the features	[ <b>7</b> M]
_		SECTION-IV	
7	A	Explain the Classification of Accounts and their Principles (Rules of Debit and Credit).	[7M]
	В	What is Double Entry System? What are the advantages and limitations of Double Entry System?	[7M]
		OR	
8	$\boldsymbol{A}$	Explain about journal, ledger, trial balance	[7M]
	В	Explain about trading, profit and loss account, balance sheet SECTION-V	[7M]
9	A	What do you mean by capital budgeting? Explain its significance to an industry	[7M]
	B	Explain the concept of net present value with suitable example OR	[7M]
10	A	The project involves a total initial expenditure of Rs. 2,00,000 and its estimated to generate a future cash inflows of Rs. 30,000; Rs.38,000; Rs.25,000; Rs.22,000; Rs Rs.36,000; Rs.40,000; Rs.40,000; Rs,28,000; Rs.24,000 and Rs,24,000 for ten years. Calculate payback period and ARR.	[7M]

•

Description	Cash Inflows(Rs.)	10% PV Factor		
Initial Cash Outflow	300000	1.000		
1 <sup>st</sup> Year	90000	0.909		
2 <sup>nd</sup> Year	100000	0.826		
3 <sup>rd</sup> Year	125000	0.751		
4 <sup>th</sup> Year	75000	0.683		
5 <sup>th</sup> Year	110000	0.621		
Scrap Value 5 <sup>th</sup> Year	25000	0.621		
***				