II B. Tech II Semester Regular Examinations, June/July - 2022
MANAGERIAL ECONOMICS & FINANCIAL ACCOUNTANCY
(Common to CSE, CST, IT, MM,CSE(AIML),CSE(AI)CSE(DS),CSE(AIDS), CSE(CS), CSE(IOTCSIBCT), CSE(IOT), AIDS, AIML)

Time: 3 hours   Max. Marks: 70

Answer any **FIVE** Questions each Question from each unit
All Questions carry Equal Marks

UNIT-I

1 a) Discuss the nature, Scope of Managerial economics in detail. [7M]

   b) What is Elasticity of demand and its types of Elasticity of Demand? [7M]

Or

2 a) Write a note on Survey Methods. [7M]

   b) Explain the concept of supply and law of supply. [7M]

UNIT-II

3 a) Explain 'Law of returns to scale' with an example. [7M]

   b) Explain Iso-quant and Iso-cost curves and state characteristics. [7M]

Or

4 a) A firm has Fixed Cost of Rs 60000/-, selling price per unit is Rs.60/- and variable cost per unit is Rs. 30/-. Determine Break Even Point in terms of Volume and Sales Value. [7M]

   b) Explain the production function with one variable inputs and laws of returns. [7M]

UNIT-III

5 a) Define Market. Explain the structure of market with suitable examples. [7M]

   b) Explain the need for public enterprises in India. Do you think Public Enterprises as a whole have fulfilled that need? [7M]

Or

6 a) What is Oligopoly? Explain price and output determination in Oligopoly. [7M]

   b) Discuss the advantages and disadvantage of partnership. [7M]

UNIT-IV

7 a) Explain the Classification of Accounts and their Principles (Rules of Debit and Credit). [7M]

   b) What is Double Entry System? What are the advantages and limitations of Double Entry System? [7M]
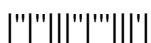
Or

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8 a) Describe the functions / scope of Financial Accounting.   [7M]

   b) What is ratio analysis? Explain different types of ratio analysis.   [7M]

UNIT-V

9 a) Find out the Net Present Value of the following project of a firm during five years.   [7M]
       The cost of the project is 30, 000 and given discount rate @ 9%

Year	Cash Inflow
1	12,000
2	10,000
3	5,000
4	9,000
5	8,000

   b) Explain the concept of time value of money. Discuss the various methods of   [7M]
       appraising project profitability that considers time value of money.

Or

10 a) The project involves a total initial expenditure of Rs. 2,00,000 and its estimated to   [7M]
       generate a future cash inflows of Rs. 30,000; Rs.38,000; Rs.25,000; Rs.22,000;
       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.

   b) Explain the traditional methods of project profitability appraisal.   [7M]

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SET - 2

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UNIT-I

1 a) What is demand forecasting? Explain various factors involved in demand forecasting.   [7M]
   b) Explain Time Series Analysis.   [7M]

Or

2 a) State the 'Law of Demand'. What are the various factors that determine the demand for a Product? Give Example.   [7M]
   b) What is Elasticity of demand and its types of Elasticity of Demand?   [7M]

UNIT-II

3 a) Explain the concepts of the choice of least cost factor combination. [7M]
   b) Calculate the BEP in units and rupees using the following details: • Selling price per unit is Rs. 200 • Variable cost per unit is Rs. 120 • Fixed costs Rs. 40,000 • Actual sales Rs. 4,00,000   [7M]
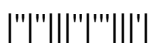
Or

4 a) Explain the law of variable propositions.   [7M]
   b) Define Break-even point with graph. Explain BEP assumptions.   [7M]

UNIT-III

5 a) Define partnership. Explain its features and evaluate it as against sole proprietorship. [7M]
   b) Explain different methods of Pricing. Give Examples.   [7M]

Or

6 a) Discuss how the Price-Output determination is done under Monopoly Markets. [7M]
   b) Explain the Marris and Williamson's model of a firm.   [7M]

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SET - 2

UNIT-IV

7 a) What are the accounting concepts that govern accounting process? Explain in brief. [7M]

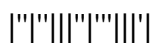b) Explain the steps involved in preparation of financial statements. [7M]

Or

8 a) What is the Journal? What are the advantages/ Importance and Limitations/ Disadvantages of the Journal? [7M]

b) Compare and contrast funds flow and cash flow analysis. [7M]

UNIT-V

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. [7M]

Or

10 a) An Asset is purchased for Rs. 1, 10,000, it has an estimated life of 10 years and its estimated scrap value after 5 years is Rs. 10, 000 then calculate Annual Depreciation under SLM method? [7M]

b) Explain the IRR method with examples. [7M]

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

Answer any **FIVE** Questions each Question from each unit
All Questions carry Equal Marks

UNIT-I

1   a)   Discuss why studying Managerial Economics is important for a youngster of a country?   [7M]
   b)   Explain the relationship of other subjects with managerial economics.   [7M]

Or

2   a)   Explain the concept of and law of supply law of demand with examples.   [7M]
   b)   Explain various techniques of demand forecasting techniques.   [7M]

UNIT-II

3   a)   Define Cost. Explain the different cost concepts used in the process of Cost Analysis.   [7M]
   b)   Explain the law of variable prepositions.   [7M]

Or

4   a)   Explain economics of scales and diseconomies of scales.   [7M]
   b)   A firm has Fixed Cost of Rs 20000/- Selling price per unit is Rs.10/- variable cost per unit is Rs. 6/- Calculate Break Even Point in terms of sales units and Sales revenue.   [7M]

UNIT-III

5   a)   What is Perfect Competition? Describe features of Perfect Competition.   [7M]
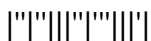   b)   Explain the pricing strategies for a new product.   [7M]

Or

6   a)   Explain the phases of business cycle.   [7M]
   b)   Explain the features and evaluation of sole traders.   [7M]

UNIT-IV

7   a)   Describe the functions / scope of Financial Accounting.   [7M]
   b)   Explain Journal and Ledger with format.   [7M]

Or

8 a) Explain the preparation of funds flow statement format. [7M]

   b) Explain the significance of ratio analysis. Explain any four ratios used in financial statement. [7M]

UNIT-V

9   Determine the average rate of return and payback period from the following data of two machines A & B. Suggest which is more viable. [14M]

Particulars	Machine A	Machine B
Cost (in Rs.)	56,125	56,125
Annual estimated income in Rs. after depreciation & IT		
Year 1	3,375	11,375
Year 2	5,375	9,375
Year 3	7,375	7,375
Year 4	9,375	5,375
Year 5	11,375	3,375

Estimated life is 5 years for both the machines.
Estimated salvage value is Rs.3,000 for each machine

Or

10 a) An Asset is purchased for Rs. 1, 10,000, it has an estimated life of 10 years and its estimated scrap value after 5 years is Rs. 10, 000 then calculate Annual Depreciation under SLM method? [7M]

    b) Explain the modern methods of capital budgeting with formulas. [7M]

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Time: 3 hours   Max. Marks: 70

Answer any **FIVE** Questions each Question from each unit
All Questions carry Equal Marks

UNIT-I

1. a) Define demand. Explain the determinants of demand. [7M]

   b) Explain Law of Demand with its exceptions. [7M]

Or

2. a) Explain the methods of forecasting demand. [7M]

   b) Explain the demand schedule and demand curve. [7M]

UNIT-II

3. a) Define Production function. How can a producer find it useful? Illustrate. [7M]

   b) Calculate the BEP in units and rupees using the following details: • Selling price per unit is Rs. 100 • Variable cost per unit is Rs. 60 • Fixed costs Rs. 20,000 • Actual sales Rs. 2,00,000. [7M]

Or

4. a) Explain Cost –Volume – Profit analysis with an example. [7M]

   b) Explain Iso-quant and Iso-cost curves and state characteristics. [7M]

UNIT-III

5. a) What is Perfect Competition? Explain its features. [7M]

   b) Explain the features and advantages of joint stock company. [7M]

Or

6. a) A firm has declared the following details about its sales: [7M]

         Year 1   Year 2
   Sales (Rs.) 1,50,000   2,00,000
   Profit (Rs.) 15,000   25,000
     (i)   Calculate PV Ratio.
     (ii)   Find out the firm's BEP
     (iii)   How much should the company produce and sell to earn profit of Rs.50, 000?

   b) Discuss how the Price-Output determination is done under Monopoly Markets. [7M]

UNIT-IV

7. a) Explain the Classification of Accounts and their Principles (Rules of Debit and Credit). [7M]

   b) Explain the format of trail balance and its significance in final accounts. [7M]

Or

8 a) Explain the journal and ledger with format. [7M]

   b) Journalize the following transactions of Mr. Ram. [7M]
      Jan 3 Paid into bank Rs.80,000
      Jan 5 Purchased building for Rs.3,00,000
      Jan 7 Purchase goods for Rs,70,000
      Jan 10 Sold goods for Rs.80,000
      Jan 15 Withdrew cash from bank Rs.10,000
      Jan 25 Paid electric charges Rs.3,000
      Jan 30 Paid salary Rs.15,000

UNIT-V

9 a) Find out the Net Present Value of the following project of a firm during five years. [7M]
      The cost of the project is 30, 000 and given discount rate @ 9%

Year	Cash Inflow
1	12,000
2	10,000
3	5,000
4	9,000
5	8,000

   b) Discuss about the financial analysis using ratios. [7M]

Or

10 a) ABC Co. Ltd. Is proposing to undertake one project. Two projects A and B are [7M]
      available. The initial cost of the project in each case is Rs.4,00,000/-. A
      discount factor of 10% is used to compare the projects. Cash flows after taxes (in
      Rs.) are as under

Year	Project A	Project B
1	1,75.000	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 proposal would you recommend under Net Present Value method?

   b) What is capital budgeting? Explain the need for capital budgeting. [7M]