

Code No: RT21034

**R13**

**SET - 1**

**II B. Tech I Semester Supplementary Examinations, May/June - 2017**  
**MANAGERIAL ECONOMICS AND FINANCIAL ANALYSIS**  
 (Com. to ME, ECE, CSE, IT, ECC, MTE)

Time: 3 hours

Max. Marks: 70

- Note: 1. Question Paper consists of two parts (**Part-A** and **Part-B**)  
 2. Answer **ALL** the question in **Part-A**  
 3. Answer any **THREE** Questions from **Part-B**

**PART -A**

1. Briefly explain the following (3M)
  - a) Demand schedule & demand curve (4M)
  - b) Unitary Elasticity of demand (4M)
  - c) Price discrimination (4M)
  - d) Oligopoly (4M)
  - e) Recession Vs Depression (3M)
  - f) Accounting Conventions (4M)

**PART -B**

2. a) "Managerial economics is the discipline which deals with the application of economic theory to business management" Discuss (8M)
- b) What is the significance of demand analysis to a sales manager of a business firm? (8M)
3. a) How do you measure the price elasticity of demand with the help of total outlay, point and arc methods? (8M)
- b) What is the significance of price elasticity of demand? (8M)
4. a) Differentiate between fixed and variable costs. Why can this distinction be made in the short-run? (8M)
- b) Define production function. Explain the isoquants and isocost curves. (8M)
5. a) What is shut-down point? Explain why a firm suffering losses still decides to operate and not shut-down under perfect competition (8M)
- b) What is Price discrimination? Explain the conditions which make it possible, profitable and desirable (8M)
6. a) Describe the various phases of business cycle (8M)
- b) What are the advantages of Joint stock companies over (a) Sole trader and (b) Partnership? (8M)
7. The following data is extracted from the financial statements of a concern dealing in practices, calculate the following ratio's : (16M)
  - i) Stock turnover ratio
  - ii) Average holding period of the stock and
  - iii) Debt-Equity ratio

Total sales      Rs 10,20,000  
 Sales returns    Rs 20,000

Gross profit ratio 20%  
 Opening stock      Rs 35,000  
 Closing stock        Rs 45,000  
 Shareholders fund   Rs 1,50,000  
 Long term debt      Rs 2,00,000