

Code No: 55015

R09

JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD

B. Tech III Year I Semester Examinations, March - 2017

MANAGERIAL ECONOMICS AND FINANCIAL ANALYSIS

(Common to AME, BT, EIE, IT, ME, MCT, MIE)

Time: 3 hours

Max. Marks: 75

Answer any five questions

All questions carry equal marks

1. Discuss elaborately various types of issues that require the application of Micro economic Theory in a business organization and the role of a Managerial economist in this regard. [15]
2. What do you understand by 'Demand forecasting'? Explain different methods to forecast the demand for a product be estimated. [15]
3. Define 'product function' and explain how equilibrium position can be reached by a manufacturing unit by adopting Isoquant analysis? [15]
4. With what assumptions Break even theory can be applied? By taking assumed data, illustrate how it is helpful in decision making? [15]
- 5.a) What are the differences between 'Perfect competition' and 'Monopolistic competition'
b) Narrate various pricing methods with examples. [7+8]
- 6.a) Why do long term investments require the application of capital budgeting techniques?
b) Explain the factors influencing the estimation of working capital requirements. [7+8]
7. What are the reasons for the preparation of financial statements at the end of a financial Year? How can the financial data be interpreted by suppliers, financiers and investors? Discuss elaborately. [15]

8.

From the following information taken from the books of Mahesh, prepare Trading, Profit & loss account for the year ending 31st March, 2015 and balance sheet as on that date after incorporating the following adjustments:

- a) Closing stock was valued at Rs.50,000
- b) Prepaid insurance – Rs.45
- c) Commission received but not accrued – Rs.2,500
- d) Commission accrued but not received – Rs.11,200.

[15]

Particulars	Dr. (Rs.)	Cr. (Rs.)
Opening stock	25,000	
Purchases and Sales	35,000	1,98,000
Returns	2,000	3,000
Wages	5,000	
Salaries	8,400	
Insurance	4,200	
Commission received		22,000
Buildings	30,000	
Debtors and Creditors	15,000	13,000
Drawings and capital	1,700	1,80,000
Bank overdraft		20,000
Land	2,94,300	
Cash	15,400	
	4,36,000	4,36,000