

Code No: 07A4HS01

**R07**

**Set No. 2**

**II B.Tech II Semester Examinations, April/May 2012**  
**MANAGERIAL ECONOMICS AND FINANCIAL ANALYSIS**  
**Common to BME, MECT, E.CONT.E, EIE, EEE**

**Time: 3 hours**

**Max Marks: 80**

**Answer any FIVE Questions**  
**All Questions carry equal marks**

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1. How is price determined under monopolistic competition in the short period and in the long run. [16]
2. Analyze the problems of the Govt. Company and suggest remedial measures for their improvement. [16]
3. Consider the case of the company with the following two investment proposals, each costing 18 Lakhs. The details of the cash inflows are as follows:

Year	Project 1	Project 2
1	6,00,000	12,00,000
2	10,00,000	8,00,000
3	12,00,000	6,00,000

The cost of capital is 10% per year. Which project will you choose under NPV method?

[16]

4. Explain the differences between the slope of demand and its elasticity. [16]
5. How are ratios classified for the purpose of financial analysis? With assumed data illustrate any two types of ratios under each category. [16]
6. Examine the concept of demand and discuss the various managerial tools relating to demand analysis. [16]
7. From the following Trial Balance and adjustments of suresh, prepare Trading and Profit and Loss Account for the year ending 30th June, 2002 and a Balance sheet as on that date.

Particulars	Debit Rs.	Credit Rs.
Drawings and Capital	10,550	1,19,400
Plant and Machinery	38,300	
Sundry debtors and Creditors	62,000	59,630
Wages	43,750	
Purchases and sales	2,56,590	3,56,430
Opening stock	95,300	
Salaries	12,880	
Insurance	930	
Cash at bank	18,970	
Interest on loan	14,370	
Discounts allowed	4,870	
Furniture	12,590	
Loan payable		79,630
Land & Buildings	43,990	
	<b>6,15,090</b>	<b>6,15,090</b>

Closing stock was valued at Rs.90,000.

[16]

8. From the following data, you are required to calculate

- (a) Profit - Volume Ratio
- (b) Break - Even point
- (c) Sales required to earn a profit of Rs.4,50,000

Fixed expenses - Rs.90,000

Variable cost per unit - Rs.9

Selling price per unit - Rs.12

[16]

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- (c) Sales required to earn a profit of Rs.4,50,000

Fixed expenses - Rs.90,000

Variable cost per unit - Rs.9

Selling price per unit - Rs.12

[16]

7. Examine the concept of demand and discuss the various managerial tools relating to demand analysis. [16]
8. From the following Trial Balance and adjustments of suresh, prepare Trading and Profit and Loss Account for the year ending 30th June, 2002 and a Balance sheet as on that date.

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**Set No. 4**

Particulars	Debit Rs.	Credit Rs.
Drawings and Capital	10,550	1,19,400
Plant and Machinery	38,300	
Sundry debtors and Creditors	62,000	59,630
Wages	43,750	
Purchases and sales	2,56,590	3,56,430
Opening stock	95,300	
Salaries	12,880	
Insurance	930	
Cash at bank	18,970	
Interest on loan	14,370	
Discounts allowed	4,870	
Furniture	12,590	
Loan payable		79,630
Land & Buildings	43,990	
	<b>6,15,090</b>	<b>6,15,090</b>

Closing stock was valued at Rs.90,000.

[16]

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(a) Profit - Volume Ratio

(b) Break - Even point

(c) Sales required to earn a profit of Rs.4,50,000

Fixed expenses - Rs.90,000

Variable cost per unit - Rs.9

Selling price per unit - Rs.12

[16]

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7. Explain the differences between the slope of demand and its elasticity. [16]
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**R07**

**Set No. 1**

Particulars	Debit Rs.	Credit Rs.
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Closing stock was valued at Rs.90,000.

[16]

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**Set No. 3**

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2. From the following data, you are required to calculate
  - (a) Profit - Volume Ratio
  - (b) Break - Even point
  - (c) Sales required to earn a profit of Rs.4,50,000

Fixed expenses - Rs.90,000

Variable cost per unit - Rs.9

Selling price per unit - Rs.12 [16]

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Loan payable		79,630
Land & Buildings	43,990	
	<b>6,15,090</b>	<b>6,15,090</b>

Closing stock was valued at Rs.90,000. [16]

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