

**BONAM VENKATA CHALAMAYYA INSTITUTE OF TECHNOLOGY & SCIENCE
(AUTONOMOUS)**

II-B. Tech II-Semester Regular Examinations (BR23), Apr/May - 2025

MANAGERIAL ECONOMICS AND FINANCIAL ANALYSIS (CE, EEE.ECE, CSE)

Time: 3 hours

Max. Marks: 70

*Question Paper consists of Part-A and Part-B
Answer ALL the question in Part-A and Part-B*

PART-A (10X2 = 20M)

	Marks	CO	BL
1. a) Define Macro Economics	(2M)	CO1	L1
b) Meaning of Financial Accounting	(2M)	CO5	L1
c) Define variable cost	(2M)	CO2	L1
d) What do you mean by contribution	(2M)	CO2	L1
e) What do you mean by partnership deed?	(2M)	CO3	L2
f) Outline the features of monopoly	(2M)	CO3	L2
g) Meaning of Capital Budgeting	(2M)	CO4	L2
h) What are the sources of short term capital?	(2M)	CO4	L1
i) What is Trial Balance	(2M)	CO5	L1
j) Working capital Turnover Ratio	(2M)	CO5	L2

PART-B (5X10 = 50M)

2a. Define Managerial Economics and explain its functions.	(5M)	CO1	L1
b. What do you mean by demand forecasting and explain various methods of demand forecasting?	(5M)	CO1	L2
(OR)			
3a. State and explain the Law of Demand with the help of a diagram.	(5M)	CO1	L2
b. what do you mean by elasticity of demand and explain its types	(5M)	CO1	L1
4a. Explain the significance of production analysis in managerial decision-making.	(5M)	CO2	L2
b. Define isoquants. What are its main characteristics?	(5M)	CO2	L1
(OR)			
5a. What is the law of variable proportions? Explain with an example.	(5M)	CO2	L1
b. Illustrate the concept of Break-Even Point (BEP). Why is it important for businesses?	(5M)	CO2	L2
6a. What is Imperfect Competition? State its types with brief explanations.	(5M)	CO3	L1
b. Define Joint Stock Company. What are its merits and demerits?	(5M)	CO3	L1
(OR)			
7a. List and explain essential features of Perfect Competition	(5M)	CO3	L4
b. What are the different pricing methods used by businesses? Explain any two with examples.	(5M)	CO3	L1

- 8a. Define Working Capital. Explain its significance in business operations. (5M) CO4 L1
 b. Explain the Payback Period method. State its advantages and limitations. (5M) CO4 L1
 (OR)
 9a. A company is evaluating a project that requires an initial investment of ₹40,000. 10(M) CO4 L3
 The project is expected to generate the following cash inflows over 4 years:

Year	Cash Inflow (₹)	Discount Factor @ 10%
1	12,000	0.909
2	15,000	0.826
3	14,000	0.751
4	10,000	0.683

- Find the **Net Present Value (NPV)** and **Profitability Index (PI)** of the project.
- Should the company accept the project?

- 10a Record the following transactions in the books of **Mr. Arjun** for March 2025: 10(M) CO5 L3
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 1. March 1: Arjun started business with ₹30,000 cash.
 2. March 3: Purchased goods from Ravi for ₹8,000 on credit.
 3. March 5: Sold goods to Suresh for ₹6,000 on credit.
 4. March 8: Paid ₹1,000 for office rent.
 5. March 10: Received ₹3,000 from Suresh.

(OR)

- 11a From the following information, calculate the following ratios: 10(M) CO5 L3
 1. Current Ratio
 2. Quick Ratio
 3. Gross Profit Ratio
 4. Net Profit Ratio

Given:

- Current Assets: ₹1,00,000
- Inventory: ₹30,000
- Current Liabilities: ₹50,000
- Gross Profit: ₹40,000
- Net Profit: ₹20,000
- Sales: ₹2,00,000
