**SWARNANDHRA**

**COLLEGE OF ENGINEERING AND TECHNOLOGY**

**(AUTONOMOUS)**

Approved by AICTE, Autonomous with JNTUK, Kakinada

Accredited by NBA and NAAC with ‘A’ Grade (CGPA 3.32/4)

**Seetharampuram, Narsapuram-534 280, W-G-Dist.,**

Branch: MECH

B.Tech III Semester Question Bank

**Managerial Economics & Financial Analysis**

**UNIT-I**

1. What is Managerial Economics? Explain Managerial Economics relation with other disciplines.
2. Explain the nature and scope of Managerial Economics.
3. What is economics? Briefly explain Macroeconomics and micro economics
4. Define ‘demand’. Explain different types of demand.
5. Explain Law of Demand. Discuss its exceptions.
6. What is meant by Elasticity of demand? Explain types of Elasticity of demand.
7. Determine the methods for measuring the elasticity of demand
8. Explain different demand forecasting methods that are used widely.

**UNIT-II**

1. Define production function? Explain types production function
2. Elaborate the concept of Diseconomies of scale.
3. Explain Isoquant and types of Isoquant
4. Signal-tech enterprise deals with computer spare parts. The following cost data is available for two successive periods;

**Year 2005 Year 2006**

**(In Rs) (In Rs)**

Sales 50,000 1,20,000

Fixed costs 10,000 20,000

Variable cost 30,000 60,000

**Determine;** a) Break even point b) Margin of safety.

5. A Firm has a fixed cost of Rs 10,000; selling price per unit is Rs 5 and variable cost price per unit is Rs.3

a) Determine break-even point in terms of volume and also sales value

b) Calculate the margin of safety considering that he actual production is 8000 units

6. A firm has fixed cost of Rs 50,000 :selling price per unit is Rs 50 and variable cost per unit Rs 25.present level of production is 3500 units.

(i) Determine break even point in terms of volume and also sales value.

(ii) calculate the margin of safety.

**UNIT-III**

1. What is a Market? Explain, in brief, the different market structures
2. Define Perfect Competition.Explain its features and pricing under Perfect Competition.
3. Explain Price-output determination in Perfect Competition.
4. What is Monopoly? Explain its features and pricing under Monopoly
5. Compare & Contrast Perfect Competition and Monopoly.
6. Define Monopoly. Explain price output determination in Monopoly.
7. What is Monopolistic Competition. Explain price output determination in Monopolistic Competition.
8. Discuss the different methods of Pricing.

**UNIT-IV**

1. Define a Joint Stock Company & explain its basic features, advantages & disadvantages
2. Explain in basic features of Government Company as a form of public enterprise.
3. Explain the Sole trade form of organization and evaluate it
4. Discuss about partnership form of business organization.
5. Write short notes on (a) Public company (b) Private Company
6. Explain different forms of public enterprises.
7. Write short note on (a) Departmental undertaking (b) Public Corporation.
8. Explain the different phases of Business Cycle.

**UNIT-V**

1. What is meant by capital? Explain different types of Capital?
2. Explain different methods and sources of finanace.
3. Define Capital Budgeting ?Explain the techniques of Capital Budgeting?
4. Calculate **PayBackPeriod**

The Cost of a project is Rs.50000. which has an expected life of 5 Years.

The Cash inflows for next 5 years are Rs 24000,Rs 26000,Rs 20000,Rs 17000and Rs16000 respectively.

**5.**Find out the **ARR** form the following data relating to CNC Mechanics 1 and 2.

Cost Rs. 3, 00,000

Estimated life 3 years each

Estimated scrap 60,000 each

Income tax rate 50%

Additional working capital required 2, 50,000 for each machine

The estimated cash inflows after taxes for each machine are as given below:

Year CNC Machine1 CNC Machine2

1 1,50,000 2,00,000

2 3,00,000 3,00,000

3 1,50,000 2,50,000

4 \_ 1,50,000

Total 6,00,000 9,00,000

**6**.Calculate **IRR** from the following:

Given that a project yields the following cash flows for 6 years at an original cost of Rs.50000.

Year Cash inflows after Taxes(Rs)

1. 0
2. 10,000
3. 16,000
4. 24,000
5. 30,000
6. 30,000

**7.**Determine **NPV**

A firm has many Projects. It wants to earn at least 6 percent per annum on this project with the following cash flows.

Year End 0 1 2 3 4 5 6

Cash inflow 30,000 40,000 40,000 40,000 50,000

Cash outflow 1,00,000 20,000

8. Rank the following investment projects in order of the profitability according to

A) Payback period

B) Net present value, assuming cost of capital to be 10%

|  |  |  |  |
| --- | --- | --- | --- |
| project | Initial outlay(Rs) | Annual Cashflows(Rs) | Life in years |
| X | 40,000 | 8,000 | 8 |
| Y | 20,000 | 8,000 | 5 |

9. Define Accounting. Explain various types of Accounts and their rules with examples

10.What is double entry system of book keeping? Explain the fundamentals and advantages of double entry system.

11.What are financial statements? Explain each of the stages in the preparation of final accounts?

**12.Prepare a Trial balance from the following data for the year 2012**

|  |  |  |  |
| --- | --- | --- | --- |
|  | Rs |  | Rs |
| Free hold property | 21,600 | Discount received | 300 |
| Capital | 80,000 | Return inward | 3,180 |
| Return outwards | 5,040 | Office expenses | 10,200 |
| Sales | 160,820 | Bad debts | 2,620 |
| Purchases | 134,700 | Carriage outwards | 3,180 |
| Depreciation of furniture | 2,400 | Carriage inwards | 2,900 |
| Insurance | 6,600 | Salaries | 9,900 |
| Stock (01-01-2007) | 28,720 | Book debts | 22,140 |
| Creditors | 9,400 | Cash at bank | 5,220 |
| Creditors for expenses | 800 | Rent | 3,000 |

13.From the following Trial balance of Reliance &Co prepare final accounts.

Trial Balance of Reliance &Co as on 31st December, 2011.

|  |  |  |  |
| --- | --- | --- | --- |
| Debit Balances | Rs | Credit Balances | Rs |
| Electricity  Land  Interest  Wages  Opening Stock  Rent  Purchases  Office Expenses  Building  Salaries  Power , Gas , Water  Returns  Furniture  Sundry Debtors | 14,000  1,40,000  16,000  50,000  20,000  24,000  3,00,000  30,000  4,00,000  90,000  30,000  20,000  15,000  60,000 | Interest  Discount  Sales  Returns  Sundry debtors  Capital  Bills payable | 16,000  6,000  8,00,000  10,000  60,000  3,02,000  15,000 |
|  | 12,09,000 |  | 12,09,000 |

**Adjustments :**

Closing Stock Rs 80,000

14. **Journalise the following transactions in the books of M/s Surya &Co.**

**Rs.**

|  |  |  |
| --- | --- | --- |
| July 15 | Surya started business with cash | 1,00,000 |
| July 24 | Purchase of goods from Sree Ram | 12,000 |
| July 25 | Goods sold for cash | 5,000 |
| July 25 | Sold gods to Syam on credit | 8,000 |
| July 26 | Advertising expenses | 5,200 |

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