

Code : R7310101

B.Tech III Year I Semester Supplementary Examinations, May/June 2010

MANAGERIAL ECONOMICS AND FINANCIAL ACCOUNTANCY

(Civil Engineering, Mechanical Engineering, Electronics & Communication Engineering,
Electronics & Computer Engineering, Bio-Technology)

Time: 3 hours

Max Marks: 80

Answer any FIVE questions
All questions carry equal marks

1. How do you define Managerial Economics? How does it aid managerial decision making?
2. What is the significance of elasticity of demand? Explain different types of elasticity of demand?
3. A Company makes a single product with a sales price of Rs.120 and a variable cost of Rs.54 per unit. Fixed costs are Rs.13,20,000. Calculate:
 - (a) Number of units to break even. (b) Sales at breakeven point.
 - (c) Contribution to sales ratio (in terms of percentage).
 - (d) What number of units will need to be sold to achieve a profit of Rs.4,20,000?
 - (e) What level of sales will achieve a profit of Rs.5,60,000?
 - (f) Given an decrease in variable cost by 15% per unit, and increase in the fixed costs by Rs.1,20,000 per annum, what will be the new BEP in terms of units and sales volume.
4. Markets are dynamic and so the pricing strategies. Do you agree? Explain with particular reference to motor cycles.
5. (a) What are the characteristics of a Business Unit?
(b) Explain the features of sole traders' form of business organization?
6. (a) What is Capital? Explain the types and significance of Capital.
(b) Explain the concept of working capital, its features & limitations.
7. Explain the following in briefly:
 - (a) Outstanding Expenses. (b) Ledger. (c) Real account.
 - (d) Single entry system.
8. What is meant by Ratio Analysis? Explain briefly various techniques of ratio analysis.
