

**PRAGATI ENGINEERING COLLEGE: SURAMPALEM  
(AUTONOMOUS)**

**II B.Tech II Semester Regular/Supplementary Examinations, May-2024**

**MANAGERIAL ECONOMICS AND FINANCIAL ANALYSIS  
(Common to CIVIL, EEE,CSE,IT, CSE(AI&ML), CSE(AI) and CSE(DS))**

Time: 3 hours

Max. Marks: 70

**Answer ONE Question from each Unit  
All Questions Carry Equal Marks**

Q. No.	Questions	BTL	CO	Marks
<b>UNIT – I</b>				
1.	a) Define Managerial Economics. Explain Managerial Economics and its relation with other subjects.	K1	CO1	7M
	b) Discuss various determinants of Demand.	K2	CO1	7M
<b>OR</b>				
2.	a) What is meant by Elasticity of Demand? How do you measure it.	K1	CO1	7M
	b) Define Demand Forecasting. What are the various factors that determine the demand for a mobile phone?	K1	CO1	7M
<b>UNIT – II</b>				
3.	a) Define Production Function. Discuss in detail different types of Production Functions.	K1	CO2	7M
	b) Explain Law of variable proportions.	K1	CO2	7M
<b>OR</b>				
4.	a) Explain various Economies of Scale.	K2	CO2	7M
	b) Explain: 1. Fixed Cost 2. Variable Cost 3. Out of Pocket Costs	K2	CO2	7M
<b>UNIT – III</b>				
5.	a) Define Monopoly. Explain Price and Output determination under Monopoly.	K2	CO3	7M
	b) Define Pricing.Explain any three Pricing Methods.	K2	CO3	7M
<b>OR</b>				
6.	a) Explain the features of Sole trader.	K2	CO3	7M
	b) Define Business Cycles. Explain its features.	K2	CO3	7M
<b>UNIT – IV</b>				
7.	Elaborate the various items that appear in each of them a) Trading Account b) Profit and Loss Account c) Balance Sheet	K3	CO4	14M
<b>OR</b>				
8.	Explain various concepts of Accounting.	K1	CO4	14M

## UNIT – V

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9.	Explain different methods of Capital Budgeting.	K2	CO5	14M																														
OR																																		
10.	Calculate the Net Present Value of the two projects X and Y. Suggest which of the two projects should be accepted assuming a discount rate of 10%.	K4	CO5	14M																														
	<table><tr><td>Item</td><td>Project X</td><td>Project Y</td></tr><tr><td>Initial Investment</td><td>Rs..80,000</td><td>Rs..1,20,000</td></tr><tr><td>Life Period</td><td>5 years</td><td>5 years</td></tr><tr><td>Scrap Value</td><td>Rs.4,000</td><td>Rs.8,000</td></tr><tr><td>(Annual Cash Inflows) (CFAT)</td><td></td><td>(CFAT)</td></tr><tr><td>Year 1</td><td>Rs.24,000</td><td>Rs.70,000</td></tr><tr><td>Year 2</td><td>Rs.36,000</td><td>Rs.50,000</td></tr><tr><td>Year 3</td><td>Rs.14,000</td><td>Rs.24,000</td></tr><tr><td>Year 4</td><td>Rs.10,000</td><td>Rs.8,000</td></tr><tr><td>Year 5</td><td>Rs.8,000</td><td>Rs.8,000</td></tr></table>				Item	Project X	Project Y	Initial Investment	Rs..80,000	Rs..1,20,000	Life Period	5 years	5 years	Scrap Value	Rs.4,000	Rs.8,000	(Annual Cash Inflows) (CFAT)		(CFAT)	Year 1	Rs.24,000	Rs.70,000	Year 2	Rs.36,000	Rs.50,000	Year 3	Rs.14,000	Rs.24,000	Year 4	Rs.10,000	Rs.8,000	Year 5	Rs.8,000	Rs.8,000
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