Subject with Code: MEFA (19HS0812) **Course & Branch**: B.Tech - ECE

Regulation: R19 **Year & Sem:** III & II

UNIT –I

INTRODUCTION TO MANAGERIAL ECONOMICS

1	a) What is the significance of managerial economics in decision-making?	[L3][CO1]	**[6M]**
	b) Identify nature of managerial economics through its definitions	[L2][CO1]	**[6M]**
2	a) What is Managerial Economics? Explain the scope of Managerial Economics	[L2][CO1]	**[6M]**
	b) What is Elasticity of demand and its types of Elasticity of Demand?	[L2][CO1]	**[6M]**
3	"Managerial economics is the integration of economic theory with business practice for the purpose of facilitating decision making and forward planning by management". Explain.	[L4][CO1]	**[12M]**
4	a) State the demand forecasting techniques.	[L1][CO1]	**[6M]**
	b) Evaluate various difference between Managerial economics and financial Accounting.	[L4][CO1]	**[6M]**
5	a) List out the contemporary importance of Managerial Economics	[L2][CO1]	**[6M]**
	b) State the demand forecasting.	[L1][CO1]	**[6M]**
6	a) What do you mean by elasticity of demand?	[L1][CO1]	**[6M]**
	b) State the different types of elasticity of demand.	[L2][CO1]	**[6M]**
7	a) Describe the 'Law of Demand'.	[L2][CO1]	**[6M]**
	b) What are the various factors that determine the demand for a Mobile Phone?	[L4][CO1]	**[6M]**
8	a) List out and explain the determinants of demand?	[L2][CO1]	**[6M]**
	b) How to do measure the elasticity and Measurement of elasticity?	[L2][CO1]	**[6M]**
9	a) What do you mean by demand forecasting?	[L1][CO1]	**[6M]**
	b) Evaluate various methods of demand forecasting techniques.	[L4][CO1]	**[6M]**
10	Distinguish between substitutes and complements with examples. How does this distinction of goods help in business decision making?	[L2][CO1]	**[12M]**

UNIT –II

THEORY OF PRODUCTION AND COST ANALYSIS

1	a) Define production function. How can a producer find it useful? Illustrate.	[L2][CO2]	[6M]
	b) Explain the Laws of Returns with appropriate examples.	[L2][CO2]	[6M]
2	a) Explain the Isoquants with diagram.	[L3][CO2]	[6M]
	b) Elucidate the cost concepts used in the process of cost analysis.	[L3][CO2]	[6M]
3	a) List out the features of Iso cost.	[L2][CO2]	[6M]
	b) Evaluate the Cobb Douglas production function.	[L4][CO2]	[6M]
4	a) State the Break-even point with graph.	[L3][CO2]	[6M]
	b) Illuminate the BEP assumptions.	[L3][CO2]	[6M]
5	a) Write short note on i. MRTS. ii. Least cost combination.	[L1][CO2]	[6M]
	b) Explain the significance of BEP.	[L2][CO2]	[6M]
6	a) Define Break even Analysis.	[L1][CO2]	[6M]
	b) What are the uses of Break-even analysis chart?	[L1][CO2]	[6M]

7	A firm has declared the following details about its sales:
	
	                      Year 1 Year 2
	
	Sales (Rs.) 1,40,000 1,60,000
	
	Profit (Rs.) 15,000 20,000
	
	    (i) Calculate PV Ratio. (ii) Find out the firm's BEP (iii) How much should the company produce and sell to earn profit of Rs.40, 000?
		[L5][CO2]	[12M]

8	From the following information relating to Hi-Tech publishers you are required to find out (A) Break-even point in units (B) Margin of Safety (C) Profit. Also calculate the volume of sales to earn a profit of Rs.6,000. fixed costs – Rs.4,500, Total Variable costs – Rs.7,500 Total sales - Rs.25,000, Units Sold - 5000 units	[L5][CO2]	[12M]
9	a) Discuss the Internal economies.	[L2][CO2]	[6M]
	b) State the dis-economies of scale.	[L1][CO2]	[6M]
10	A high-tech rail can carry a maximum of 36,000 passengers per annum at a fare of Rs.400.ThevariablecostperpassengerisRs.150 while the fixed costs are 25,00,000 per year. Find the break- even point in terms of number of passengers and also in terms of fare collections.	[L5][CO2]	[12M]

UNIT –III

INTRODUCTION TO MARKETS AND NEW ECONOMIC ENVIRONMENT

1	a) Define market.	[L1][CO3]	[4M]
	b) Elaborate how differently markets are classified?	[L2][CO3]	[8M]
2	a) Explain the types of markets	[L2][CO3]	[6M]
	b) State the Imperfect competition and features	[L1][CO3]	[6M]
3	a) Define market and market structures.	[L1][CO3]	[6M]
	b) What is meant by perfect competition and feature?	[L1][CO3]	[6M]
4	a) What is pricing?	[L1][CO3]	[4M]
	b) Explain different methods of pricing.	[L2][CO3]	[8M]
5	a) Write a short note on marketing skimming	[L2][CO3]	[6M]
	b) Distinguish between monopoly and perfect competition	[L2][CO3]	[6M]
6	a) Define monopoly and state the features.	[L1][CO3]	[6M]
	b) Illustrate the price determination in case of monopoly	[L2][CO3]	[6M]
7	a) Define oligopoly and features.	[L1][CO3]	[6M]
	b) List out the features of monopolistic competition.	[L1][CO3]	[6M]
8	a) State the marketing strategy based pricing.	[L1][CO3]	[6M]
	b) Globalisation is a means of attaining international standard of living .Do you agree with this statement?	[L4][CO3]	[6M]
9	a) Write a short note on new economic environment?	[L2][CO3]	[6M]
	b) Evaluate the economic systems in economic.	[L4][CO3]	[6M]
10	a) What do you understand by economic liberalization?	[L2][CO3]	[6M]
	b) Do you think 'privatization' is an effective measure to turn around an ailing economy such as India's?	[L4][CO3]	[6M]

CAPITAL AND CAPITAL BUDGETING

1	a) What is capital? Elucidate the over and under capitalization.	[L3][CO4]	**[6M]**
	b) State the Remedial measures of over and under capitalization.	[L2][CO4]	**[6M]**
2	a) Explain the types of Capital Budgeting methods.	[L2][CO4]	**[6M]**
	b) Write a short note on Long term capital.	[L1][CO4]	**[6M]**
3	a) Explain the major sources of Capital.	[L2][CO4]	**[6M]**
	b) The cost of project is Rs 50000 the annual cash inflow for the next 4 years are Rs 25000. What is the Payback period for the project?	[L4][CO4]	**[6M]**
4	The cost of a project is Rs.50,000 which has an expected life of 5 years. The cash inflows for next 5 years are Rs.24,000; Rs.26,000; Rs.20,000; Rs.17000 and Rs.16,000 respectively. Determine the Payback period.	[L5][CO4]	**[12M]**

5	A business needs a new machine and has to make the choice between machine Y and Machine Z. The initial cost and net cash flow over five years to the business have been calculated for each machine as follows:
	
	                                   Machine Y **Machine Z**
	
	Initial cost
	Net cash flow 20,000 28,000
	
	    1 8,000 10,000
	    2 12,000 12,000
	    3 9,000 12,000
	    4 7,000 9,000
	    5 6,000 9,000
	
	Only one machine is needed, calculate : i) Pay Back Period
	                                        ii) Accounting rate of Return
		[L5][CO4]	**[12M]**

6	Consider the case of the company with the following two investment alternatives each costing Rs.9 lakhs. The details of cash inflows are as follows:
	     Year Project1 Project2
	      1 3,00,000 6,00,000
	      2 5,00,000 4,00,000
	      3 6,00,000 3,00,000
	Estimate the cost of capital is 10% per year with NPV Method.
		[L5][CO4]	**[12M]**

7	a) Write short notes of payback period.	[L1][CO4]	**[4M]**
	b) The cost of the project is Rs.5, 00,000. Which has an expected life of five years? The cash inflow for the next five years are Rs.2,40,000, Rs.2,60,000, Rs.2,70,000, Rs 2,00,000 and Rs.1,60,000 respectively Determine payback period.	[L5][CO4]	**[8M]**

8	a) What is the importance of Capital budgeting and its limitations?	[L1][CO4]	**[6M]**
	b) What is meant by working capital and working capital cycle?	[L2][CO4]	**[6M]**
9	How do the discounting models differ from non- discounting models?	[L2][CO4]	**[12M]**
10	a) What do you understand by time value of money?	[L1][CO4]	**[6M]**
	b) How the time value of money is helpful in Capital Budgeting?	[L4][CO4]	**[6M]**

1	a) What is meant by Ratio analysis?	[L1][CO5]	**[6M]**
	b) Explain briefly about various types of ratios.	[L2][CO5]	**[6M]**
2	a) Definition of accounting. Explain the concepts of accounting	[L2][CO5]	**[6M]**
	b) What are the emerging needs of accounting?	[L3][CO5]	**[6M]**
3	Write a short note on :	[L1][CO5]	**[6M]**
	a) Working capital b) Journal and Ledger with format.	[L1][CO5]	**[6M]**
4	a) Elucidate the importance of accounting.	[L2][CO5]	**[6M]**
	b) State the double entry book keeping.	[L1][CO5]	**[6M]**
5	a) Write about various types of accounts and their rules governing each account.	[L2][CO5]	**[6M]**
	b) Write a short note on the following i) Liquidity ratio ii) Inventory turnover ratio.	[L2][CO5]	**[6M]**
6	The particulars of incomes and expenses of a company are given here under, for the year ended 31st March, 2011. Particulars Rs. Particulars Rs. Opening Stock 76,250 Sales 5,00,000 Purchases 3,15,000 Closing Stock 98,500 Manufacturing Exp. 7,000 Income from Investments 6000 Admin Exp. 1,00,000 Selling and Distribution Exp. 12,000 Loss by Fire 13,000 From the above information you are required to calculate : a) Gross profit ratio and Net profit ratio b) Operating ratio c) Stock turnover ratio.	[L5][CO5]	**[12M]**

7	Journalize the following transactions of Mr. Kavin and post them in the ledger and balance the same.
	
	 2010, June 1 kavin invested Rs.5,00,000 cash in the business
	
	         3 Paid into bank Rs.80,000
	
	         5 Purchased building for Rs.3,00,000
	
	         7 Purchase goods for Rs.70,000
	
	        10 Sold goods for Rs.80,000
	
	        15 Withdrew cash from bank Rs.10,000
	
	        25 Paid electric charges Rs.3,000
	
	        30 Paid salary Rs.15,000
		[L5][CO5]	**[12M]**

8	a) Calculate debtors turnover ratio and debtors collection period, if credit sales for the year Rs.9,00,000 debtors Rs.90,000 and bills payable Rs.60,000.	[L5][CO5]	[6M]
	b) Calculate the acid test ratio , if current assets Rs.8,00,000; Current liabilities Rs.4,00,000 and Stock Rs. 2,20,000.	[L5][CO5]	[6M]
9	a) Write short notes on interest coverage ratio?	[L2][CO5]	[4M]
	b) Find out the earnings before interest and taxes (EBIT) of a company is Rs 5, 60,000.Itsfixed commitments include payment of 10% on 7000 debentures of Rs100 each. Calculate interest coverage ratio	[L4][CO5]	[8M]
10	Journalize the following transactions in the books of Ragavan. 2012, Jan 1 Ragavan commenced business with cash Rs.2,00,000 2 Purchased goods for cash Rs.10,000 3 Purchased goods from Mohan Rs.6,000 7 Paid into bank Rs.5,000 10 Purchased furniture Rs.2000 20 Sold goods to Suresh on credit Rs.5,000 25 Cash sales Rs. 3,500 26 Paid to Mohan on account Rs.3,000 31 Paid salaries Rs.2,800	[L5][CO5]	[12M]

Prepared by:
Department of MBA