

**II B.Tech II Semester Supplementary Examinations, Apr/May 2006**  
**MANAGERIAL ECONOMICS & PRINCIPLES OF ACCOUNTANCY**  
**( Common to Electrical & Electronic Engineering, Electronics &**  
**Instrumentation Engineering and Electronics & Control Engineering)**

**Time: 3 hours**

**Max Marks: 80**

**Answer any FIVE Questions**  
**All Questions carry equal marks**

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1. What is the significance of demand analysis to the Manager of a business firm?  
[16]
2. Enumerate the factors involved in demand forecasting.State the purpose of forecasting, both short-term and long-term.  
[8+8]
3. What do you mean by a firm's production function? Suppose the price of one input goes up. How does this affect the firm's production functions? With two inputs how does it affect the firms choice of inputs?  
[4+8+4]
4. Write short notes on the following:  
  - (a) Fixed Cost
  - (b) Variable Cost  
[8+8]
5. What is Accounting rate of return and Pay back period? Compare and contrast the two.  
[4+4+8]
6. Compare and contrast between perfect competition and monopoly.  
[8+8]
7. Write a short note on a) Departmental undertaking b) Articles of association. [8+8]
8. Elaborate the importance of Finance function for evaluating the economic status of a business unit.  
[8+8]

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