

II B.Tech I Semester Supplementary Examinations, May 2005
MANAGERIAL ECONOMICS & PRINCIPLES OF ACCOUNTANCY
 (Common to Civil Engineering, Electronics & Communication Engineering
 and Information Technology)

Time: 3 hours**Max Marks: 70**

Answer any FIVE Questions
All Questions carry equal marks

1. Discuss the functions and responsibilities of Managerial Economist.
2. Explain the factors which are involved in demand forecasting.
3. Explain the nature and managerial use of production function.
4. Discuss briefly different cost concepts relevant to managerial decision making.
5. Illustrate how price discrimination is done under world market and home markets.
6. Explain the significance and utility of ratio analysis.
7. The income statement of a concern are given for the year ending 31st December 2002 and 2003. Rearrange the figures in a comparative form and study the profitability position of the concern.

Particulars	2002 Rs(000)	2003 Rs(000)
Net sales	785	900
Cost of goods sold	450	500
Operating Expenses:		
General and Administrative Exp	70	72
Selling Expenses	80	90
Non-Operating Expenses:		
Interest Paid	25	30
Income-Tax	70	80

8. Calculate liquidity ratios from the following information and comment on them:

Liabilities		Assets	
Equity Share Capital	600000	Goodwill	100000
7% Debentures	350000	Land and Building	230000
Long term debts	200000	Plant and Machinery	300000
Bank overdraft	75000	Trade Investments	300000
Sundry creditors	60000	Sundry debtors	150000
Bills payable	30000	Bills receivables	40000
Liability for Tax	20000	Cash in hand	50000
		Cash at bank	60000
		Stock	100000
		Pre-paid rent	5000
	13,35,000		13,35,000
