

III B.Tech I Semester Supplementary Examinations, May 2005
MANAGERIAL ECONOMICS AND PRINCIPLES OF ACCOUNTANCY
(Common to Electrical & Electronic Engineering, Mechanical
Engineering, Electronics & Control Engineering, Mechatronics, Metallurgy &
Material Technology and Production Engineering)

Time: 3 hours

Max Marks: 70

Answer any FIVE Questions
All Questions carry equal marks

1. (a) Explain the significance of managerial Economics.
(b) Explain the role of a managerial economist in business.
2. (a) Define Elasticity of demand. Explain the type of Income elasticity demand.
(b) Explain the various kinds of Internal economics.
3. (a) Explain four methods of Demand forecasting of new products.
(b) Explain briefly the various classifications of markets.
4. (a) What is Monopoly. Discuss various causes of origin of monopoly.
(b) Explain administered price and dual pricing.
5. (a) Explain the various sources of funds for long term financing.
(b) Explain the various approaches in determining the size of capital budget.
6. (a) Explain the salient features of Private limited companies with examples.
(b) Explain the salient features of Public limited companies with examples.
7. (a) What are limitation of Financial statements?
(b) Pass a compound Journal entry in each of following case.
 - i. Payment made to Ram Rs. 1000. He allowed a cash discount of Rs. 50.
 - ii. Cash received from Suresh Rs. 800 and allowed him Rs.50 on discount.
 - iii. A running business was purchased by Mohan with following assets and liabilities:

Cash	: Rs. 2000	Land	: Rs. 4000
Furniture	: Rs. 1000	Stock	: Rs. 2000
Creditors	: Rs. 1000	Bank over draft	: Rs. 2000
8. From the following balances of Mr. Naidu as on 31-12-1999 prepare Final Accounts with closing stock of Rs. 10000.

	Rs.		Rs.
Purchases	42,000	Creditors	10,000
Loan on Mortagage	30,000	Bills receivable	3,000
Wags	30,000	Cash at Bank	2,000
Salaries	7,200	Debtors	40,000
Bills payable	4,000	Machinery	20,000
Loose tools	1,000	Insurance	150
Cash in hand	1,000	Land	40,000
Stationeries	1,200	Capital	40,000
Office expenditure	700	Interest	1,500
Sales	96,400	Raw	650
