

**III B. Tech I Semester Regular Examinations, February-2022**  
**MANAGERIAL ECONOMICS AND FINANCIAL ACCOUNTANCY**  
(Mechanical Engineering)

Time: 3 hours

Max. Marks: 75

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Answer any **FIVE** Questions **ONE** Question from **Each unit**

All Questions Carry Equal Marks

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**UNIT-I**

1. a) Explain the scope of managerial economics. [8M]
- b) Define managerial economics and explain its relation with other subjects. [7M]

**(OR)**

2. a) What are the determinants of demand? [8M]
- b) Define price elasticity of demand and explain its types. [7M]

**UNIT-II**

3. a) Briefly explain the theories of production function. [7M]
- b) Explain the law of variable proportions with a diagram. [8M]

**(OR)**

4. a) Differentiate between Isoquants and Isocosts. [8M]
- b) Define the concept choice of least cost factor combination. [7M]

**UNIT-III**

5. a) Briefly explain price determination under perfect competition. [8M]
- b) Define managerial theories of a firm. [7M]

**(OR)**

6. a) Describe Marris and Williamson's model. [8M]
- b) Discuss about the methods of pricing? [7M]

**UNIT-IV**

7. a) Explain the concept double entry system. [8M]
- b) Illustrate the Performa of Trading account. [7M]

**(OR)**

8. a) Mention the types of ratios. Explain the probability ratios and activity ratios. [8M]

- b) Prepare Trading account from the following ledger balances [7M]  
presented by P. Sen as on 31st March, 2016.

Particulars	Rs.	Particulars	Rs.
Stock (1-4-15)	10,000	Sales	3,00,000
Purchases	1,60,000	Return inwards	16,000
Wages	30,000	Return outwards	10,000
Carriage Inwards	10,000	Gas & Fuel	8,000
Freight Inwards	8,000		

**Additional information:**

- i) Stock on 31st March, 2016 Rs.20,000
- ii) Outstanding wages amounted to Rs.4,000
- iii) Gas and fuel was paid in advance for Rs.1,000

**UNIT-V**

9. a) What are the techniques of capital budgeting? [8M]  
b) Describe the methods of appraising project profitability. [7M]

**(OR)**

10. a) Briefly explain the concepts Net Present Value and Internal rate of Return. [8M]  
b) Explain the concept of Profitability Index. [7M]

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