

CODE NO

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2007 JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY

II B.TECH I SEMESTER REGULAR EXAMINATIONS
MANAGERIAL ECONOMICS AND FINANCIAL ANALYSIS
 (COMMON TO CIVIL ENGINEERING AND METALLURGY & MATERIAL TECHNOLOGY)

SET NO -2
 NOVEMBER 2007

Time: 3 hours
 Marks: 80

Answer any FIVE Questions
All Questions carry equal marks

1. Explain the Law of Demand. What do you mean by shifts in demand curve. [16]
 2. What is meant by Elasticity of demand. How do you measure it? [16]
 3. (a) What do you understand by 'Law of increasing Returns?' What causes make increasing returns operate? [10]
 - (b) When do you notice 'constant returns' arising? [3]
 - (c) Do diminishing returns apply only for agriculture or any other fields? [3]
 4. (a) Distinguish between perfect competition and monopoly.
 - (b) Graphically represent equilibrium position of business units in both the above market structures. [8+8]
 5. What are the reasons for Joint stock company being popular form of business organization? [16]
 6. Explain the concept of capital budgeting and what is its practical utility? [16]
 7. The following balances are extracted from the books of Chandra for the year ending 31st March, 2004. Prepare a Trading profit and Loss A/c and Balance Sheet after considering the following adjustments. [16]
 - (a) Closing stock was valued at Rs.50,000
 - (b) Wages were outstanding by Rs.1,000. Debit balances Rs. Credit balances Rs.
- Opening stock 50,000 Purchase returns 4,100
 Sundry debtors 27,500 Commission 5,000
 Purchases 1,00,000 Sundry creditors 50,000
 Interest 10,000 Sales 1,80,000
 Miscellaneous expenses 3,500 Capital 80,000
 Wages 30,000 Insurance 3,600 Sundry debtors 60,000 Interest on capital 4,000
 Carriage 2,500
 Sales returns 3,000
 Cash 25,000 3,19,100 3,19,100
8. (a) From the following information, calculate [16]
 - i. Debt Equity ratio
 - ii. Current ratio

Rs. Rs.

Debentures 1,40,000 Bank balance 30,000 Long term loans 70,000 Sundry Debtors 70,000
General reserve 40,000 Creditors 66,000 Bills payable 14,000 Share capital 1,20,000

(b) Calculate Interest Coverage ratio from the following information.

Rs. Net profit after deducting interest and taxes 6,00,000 12% Debentures of the face value of 15,00,000
Amount provided towards taxation

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