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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 -1
NOVEMBER 2007

Time: 3 hours
Marks: 80

Answer any FIVE Questions
All Questions carry equal marks

1. What is Managerial Economics? Explain its focus areas. [16]
2. What are the needs for demand forecasting. Explain the various steps involved in demand forecasting. [16]
3. (a) Explain how does cost-output relationship help the management while taking output decisions.
(b) How is long run Average cost determined? [8+8]
4. (a) Define Market and explain how markets are classified?
(b) What are the important features in any market structure? [12+4]
5. Define a Joint stock company and explain its basic features. [16]
6. Explain different types of working capital. [16]
7. The following trial balance belongs to Amzad Khan with the help of which prepare trading and profit and loss A/c and balance sheet. [16]
Dr. Cr.
Drawing and capital 18,000 1,00,000
Furniture 32,500
Equipment 15,000
Loan payable 15,000
Interest on loan 900
Sales 1,00,000
Purchases 75,000
Opening stock(1.1.05) 25,000
Trade expenses 15,000
Wages 2,000
Insurance 1,000
Commission received 4,500
Sundry debtors 28,100
Cash at bank 20,000
Sundry creditors 10,000
Interest received 3,000
2,32,500 2,32,500

Adjustments:

- (a) Closing stock as on 31st December 2005, was valued at Rs.60,000

- (b) Wages were outstanding by Rs.500
- (c) Provide depreciation @ 10% on furniture.

8. Calculate the following ratios from the balance sheet given below: [16]

- (a) Long term Debt-Equity ratio
- (b) Liquidity ratio
- (c) Fixed Assets to current Assets ratio, and
- (d) Fixed Assets to Turnover ratio.

BalanceSheet

Liabilities Rs. Assets Rs.

Equity share capital 10,00,000 Goodwill 6,00,000

Reserves 2,00,000 Fixed assets(at cost) 14,00,000

Profit and Loss A/c 3,00,000 Stock 3,00,000

Secured loan 8,00,000 Debtors 3,00,000

Sundry creditors 5,00,000 Advances 1,00,000

Provision for Taxation 2,00,000 Cash on hand 3,00,000

30,00,000 30,00,000

Sales for the year were Rs. 56,00,000.

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