

Code: 23HS1401

**II B.Tech - II Semester – Regular / Supplementary Examinations  
APRIL 2026**

**MANAGERIAL ECONOMICS AND FINANCIAL  
ANALYSIS**

**(Common for CIVIL, EEE, ECE, CSE)**

Duration: 3 hours

Max. Marks: 70

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 Note: 1. This question paper contains two Parts A and B.

2. Part-A contains 10 short answer questions. Each Question carries 2 Marks.

3. Part-B contains 5 essay questions with an internal choice from each unit. Each Question carries 10 marks.

4. All parts of Question paper must be answered in one place.

BL – Blooms Level

CO – Course Outcome

**PART – A**

		BL	CO
1.a)	Explain the importance of Managerial economics.	L1	CO1
1.b)	State the concept of Total outlay method.	L1	CO1
1.c)	Differentiate between Isocosts and Isoquants.	L2	CO2
1.d)	Explain the Objectives of Pricing.	L2	CO2
1.e)	Explain the impact of Unlimited liability on partners in Partnership.	L2	CO3
1.f)	Mention any two strategies to improve economic position in recession.	L2	CO3
1.g)	Mr. X purchases a house for Rs. 2,00,000. He agrees to pay for the house in 5 equal installments at the end of each year. If the money is worth 5% per annum effective, what would be size of each investment?	L3	CO4

1.h)	What are the objectives of Accounting?	L2	CO4
1.i)	Mention the suitable asset to be depreciated under sum of years digits method.	L2	CO4
1.j)	Write the Objectives of Capital budgeting.	L2	CO4

## PART – B

			BL	CO	Max. Marks
<b>UNIT-I</b>					
2	a)	Define Economics. Explain the scope and importance of Economics.	L2	CO2	5 M
	b)	Describe the methods of Demand forecasting.	L2	CO2	5 M
<b>OR</b>					
3	a)	Write a note on Micro Economics and Macro Economics.	L2	CO2	5 M
	b)	What is Law of demand? Explain with neat diagram and state the assumptions.	L2	CO2	5 M
<b>UNIT-II</b>					
4	a)	Explain Production function.	L2	CO2	5 M
	b)	Illustrate Break even analysis with neat sketch and assumptions.	L2	CO2	5 M
<b>OR</b>					
5	a)	Explain the Law of returns to scale.	L2	CO2	5 M
	b)	Explain different pricing strategies and also explain how it influences the product's market positioning and profitability.	L2	CO2	5 M
<b>UNIT-III</b>					
6	a)	State the merits and demerits of Sole trading firm.	L2	CO3	5 M
	b)	Explain the advantages and disadvantages of Public enterprises.	L2	CO3	5 M

**OR**

7	a)	Define Joint Stock Company. Explain it's features and Merits.	L2	CO3	5 M
	b)	Describe the impact of Liberalization policy on economic growth in India.	L2	CO3	5 M

**UNIT-IV**

8	a)	Explain the functions of Financial Management.	L2	CO4	5 M
	b)	M/S Shanthi Trading company borrowed Rs. 80,000 for furniture at a monthly interest of 1.50 percent. The loan is to be repaid in 12 equal installments, payable at the end of each month. What is the monthly installment?	L3	CO4	5 M

**OR**

9	a)	Explain the concepts of Financial Accounting.	L2	CO4	5 M
	b)	A person wishes to have a future sum of Rs. 2,00,000 for his son's education after 15 years from now. What is the single payment that he should deposit now so he gets the desired amount after 15 years. The bank gives 15% interest rate compounded annually.	L3	CO4	5 M

**UNIT-V**

10	a)	Illustrate the different types of Capital Budgeting techniques.	L3	CO4	5 M
	b)	A company has purchased an equipment whose first cost is Rs. 1,00,000 with an estimated life of 5 years. The estimated salvage value of the equipment at the end of its life time is Rs. 20,000. Determine the depreciation charge and book value at the end of various years using declining balancing method of depreciation by assuming $k=0.2$ .	L3	CO4	5 M

**OR**

11 A company has an investment opportunity costing Rs.40000 with following expected net cash flow after taxes and before depreciation.

L3	CO4	10 M
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Year	1	2	3	4	5	6	7	8	9	10
Net cash inflows	7000	7000	7000	7000	7000	8000	10000	15000	10000	4000

Using 10% as cost of capital determine the following.

- i) Payback period
- ii) Net Present Value