

R09

Code No: 56023

JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY, HYDERABAD

B. Tech III Year II Semester Examinations, December-2014/January-2015

MANAGERIAL ECONOMICS AND FINANCIAL ANALYSIS

(Common to ECE, CSE, ETM, MMT)

Time: 3 hours

Max. Marks: 75

Answer any five questions
All questions carry equal marks

1. State Law of Demand and explain it. What are the various exceptions to this law?
- 2.a) What is cross elasticity of demand? What is its significance?
b) What are the factors affecting demand forecasting exercise by a firm?
- 3.a) What are the factors that influence internal economics and internal diseconomics?
b) What is sunk cost? Illustrate your answer with an example.
4. Compare and contrast Perfect Competition with Monopoly market conditions.
5. What are the features of
a) Departmental Undertaking and
b) Public Enterprises.
6. ABC Ltd. is considering investing in a project that costs Rs.50,00,000. The estimated salvage value is zero. The cash flow for the next 5 years is as follows:

year	cash flow in rupees
1	12,50,000
2	25,00,000
3	20,00,000
4	15,00,000
5	15,00,000

Determine the following:

- a) Payback period
- b) Average rate of return.
- c) Net present value, if the discounting rate is 10%