

Hall Ticket Number:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Code No. : 31023 O2

**VASAVI COLLEGE OF ENGINEERING (Autonomous), HYDERABAD**  
**M.C.A. I-Semester Backlog Examinations, Dec.-2018/Jan.-2019**

**Managerial Economics and Accountancy**

Time: 3 hours

Max. Marks: 60

*Note: Answer ALL questions in Part-A and any FIVE from Part-B*

**Part-A (10 × 2 = 20 Marks)**

1. Explain the concept of discounting.
2. Explain the concept of opportunity cost.
3. Explain the meaning of Demand.
4. Explain the Law of Supply.
5. Explain the economics of scale.
6. Write the production function with determinants.
7. Explain the determinants of working capital.
8. What are the various sources of working capital?
9. What is meant by double entry book keeping?
10. Commenced business with capital of Rs. 10 lakhs. Write the journal entry.

**Part-A (5 × 8 = 40 Marks)**

11. a) Define Managerial Economics and explain its scope. [4]  
b) Explain the differences between Micro and Macroeconomics. [4]
12. a) Explain the law of demand and its determinants. [4]  
b) Explain any two methods used to forecast demand. [4]
13. a) Explain the law of variable proportions. [4]  
b) What are different types of competition? Explain the properties of Perfect Competition. [4]
14. a) A firm is considering two projects A and B. Its cost of capital is 10%. Other details: [5]

Projects	A	B
Investment outflow	(Rs.) 10,000	(Rs.) 20,000
<u>Cash Inflows (Rs.)</u>		
Year 1	(Rs.) 8,000	(Rs.) 15,000
Year 2	(Rs.) 5,000	(Rs.) 10,000

Compute the Net Present Value and suggest which project should be accepted?

b) For the same problem, which project should be accepted according to Profitability Index? [3]
15. a) Calculate gross profit margin percentage for previous and current years.

	<u>Previous year</u>	<u>Current year</u>
Sales:	(Rs.) 74,42,482/-	(Rs.) 79,85,516/-
Cost of goods sold:	(Rs.) 49,99,930/-	(Rs.) 53,60,596/-

- b) What are the uses of ratio analysis? Explain liquidity ratios. [3]

- 16. a) Give the proforma of a journal, ledger account and cash book. [5]
- b) Give the formulae to calculate income and price elasticity. [3]
- 17. Answer any *two* of the following:

  - a) What is an ISO quant? Explain the properties of an ISO quant. [4]
  - b) Explain the different techniques of capital budgeting. [4]
  - c) Explain the concept of Break-Even Analysis with the diagram. [4]

~~~~~

|                    | Project A    | Project B    |
|--------------------|--------------|--------------|
| Initial Investment | (Rs.) 10,000 | (Rs.) 20,000 |
| Year 1             | (Rs.) 4,000  | (Rs.) 12,000 |
| Year 2             | (Rs.) 5,000  | (Rs.) 10,000 |