

Hall Ticket Number:

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

Code No. : 31013

VASAVI COLLEGE OF ENGINEERING (Autonomous), HYDERABAD
M.C.A. (CBCS) I-Semester Main Examinations, January-2018

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 Micro Economics.
2. What do you understand by Opportunity Cost?
3. List out various Supply Determinants.
4. Draw a Market Demand Schedule.
5. Explain Production Function.
6. Examine Marginal Revenue concept.
7. What do you mean by Payback Period?
8. Explain Net Working Capital.
9. Explain Petty Cash Book.
10. Calculate Gross Profit Ratio from the following information.
Sales – Rs.1,20,000; Cost of Goods Sold – Rs.40,000; Sales Returns – Rs.20,000

Part-B (5 × 8 = 40 Marks)

11. a) Discuss the features of managerial Economics. [4]
b) Explain the importance of Managerial Economics in business decision making. [4]
12. a) State the Law of Demand and explain its exceptions. [5]
b) Explain Demand Function. [3]
13. a) Explain the features of Isoquants with suitable diagrams. [6]
b) Calculate P/V ratio from the following information. [2]

Particulars	Amount Rs.
Sales	1,00,000
Profit	10,000
Variable Cost	70,000

14. a) What are the factors influencing the working capital requirements? [6]
b) Calculate Gross working capital from the following information. [2]

Particulars	Amount Rs.
Prepaid expenses	10,000
Stock	50,000
Land and Buildings	70,000
Sundry Debtors	25,000
Sundry Creditors	50,000
Bank Overdraft	10,000

15. a) What is an Accounting Cycle? Explain various steps in it. [4]
 b) Explain the classification of various ratios. [4]
16. a) Explain the importance of opportunity cost principle. [2]
 b) Explain the types of Price Elasticity of Demand. [6]
17. Answer any *two* of the following:
 a) Distinguish between Monopoly and Perfect Competition Market. [4]
 b) Calculate Payback period from the following information. [4]
 Cost of the project – Rs.90,000

Year	Cash inflows (Rs.)
1	10,000
2	30,000
3	30,000
4	50,000
5	30,000

- c) Calculate Current ratio and Quick Ratio from the following information. [4]

Particulars	Rs.
Cash at Bank	50,000
Marketable securities	50,000
Sundry Creditors	50,000
Bank Overdraft	10,000
Prepaid Expenses	5,000
Stock	20,000



Particulars	Amount Rs.
Sales	1,00,000
Profit	10,000
Variable Cost	70,000

Particulars	Amount Rs.
Bank Overdraft	10,000
Sundry Creditors	25,000
Land and Buildings	70,000
Stock	50,000
Prepaid expenses	10,000