

Code: IT7T1

**IV B.Tech - I Semester –Regular / Supplementary Examinations
JANUARY - 2022**

**MANAGERIAL ECONOMICS AND FINANCIAL
ACCOUNTANCY
(INFORMATION TECHNOLOGY)**

Duration: 3 hours

Max. Marks: 70

PART – A

Answer *all* the questions. All questions carry equal marks

11x 2 = 22 M

1.

- a) Define Managerial Economics.
- b) Name the factors governing Demand forecasting.
- c) What are Isoquants?
- d) Define Monopolistic competition.
- e) Discuss Break - even point
- f) Who is a Sole Proprietor?
- g) Define Journal.
- h) What is a Trial Balance?
- i) Illustrate the limitations of Financial Statements.
- j) Outline Payback Method.
- k) Discuss the necessity of capital budgeting.

PART – B

Answer any **THREE** questions. All questions carry equal marks.

3 x 16 = 48 M

2. a) Define Demand. What are the determinants of demand? 8 M
- b) Describe the types of Elasticity of demand. 8 M
3. a) Define monopoly. How is price under monopoly determined? 8 M
- b) What is pricing? Explain different methods of pricing. 8 M
4. a) Calculate margin of safety and the amount of actual sales from the following:
i) Profit Rs. 10,000
ii) PV Ratio 50%
iii) BEP sales Rs.20,000. 8 M
- b) What are the features of Joint stock company? Explain. 8 M
5. a) Define accounting and write the importance, limitations of accounting. 6 M
- b) From the following transactions prepare journal in the books of Avinash & co 2008: 10 M

May 1 commenced business with Rs 1,00,000/-
 May 5 purchase goods from rahul & co with Rs 10,000/-
 May 7 sold goods worth Rs 20,000/-
 May10 salaries paid Rs1,500/-
 May 11 purchased stationary worth Rs 1000/-
 May 15 Bought furniture worth Rs 20000/-
 May 18 cash deposited into bank Rs 9000/-
 May 20 Paid wages Rs 5000/-
 May 24 cash withdrawn from bank Rs 3000/-
 May 28 paid rent by cheque Rs 1800/-

6. A company has to select one of the following projects: 16 M

Particulars	Project A	Project B
Cost(Rs) of the project	11,000	10,000
Cash inflows(years)Rs		
1	6000	1000
2	2000	2000
3	2000	2000
4	4000	10000

Using the NPV@10% discount offered suggest which project is preferable?