

310303

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B. Tech. III Sem. (Main) Exam., Dec. - 2019

Aeronautical Engineering

3CE1-03 Managerial Economics and Financial Accounting

Time: 2 Hours

Maximum Marks: 80

**Instructions to Candidates:**

**Part – A:** Short answer questions (up to 25 words)  $5 \times 2$  marks = 10 marks. All five questions are compulsory.

**Part – B:** Analytical/Problem Solving questions  $4 \times 10$  marks = 40 marks. Candidates have to answer four questions out of six.

**Part – C:** Descriptive/Analytical/Problem Solving questions  $2 \times 15$  marks = 30 marks. Candidates have to answer two questions out of three.

Schematic diagrams must be shown wherever necessary. Any data you feel missing may suitably be assumed and stated clearly. Units of quantities used/calculated must be stated clearly.

Use of following supporting materials is permitted during examination. (Mentioned in form No. 205)

1. NIL

2. NIL

**PART - A**

- Q.1 Define meaning and concept of managerial economics. [2]
- Q.2 Differentiate between deductive and inductive methods. [2]
- Q.3 Define supply using law of supply. [2]
- Q.4 Differentiate between opportunity cost and sunk cost. [2]
- Q.5 What are the utilities of financial ratio analysis? [2]

**PART – B**

- Q.1 What do you understand by demand elasticity? Discuss price elasticity of demand. Explain the methods of measuring the price elasticity of demand. [2+3+5=10]
- Q.2 What is demand forecasting? Discuss the various methods of demand forecasting. [2+8=10]
- Q.3 Define meaning and concept of production. What is production function? Explain the law of variable proportions? [2+3+5=10]
- Q.4 What is cost – output relationship? Explain the cost – relationship in short run using cost curves. [2+8=10]
- Q.5 What is fund flow analysis? Elaborate the main contents of fund flow statement. Discuss the use of fund flow statement. <http://www.mgsuonline.com> [2+5+3=10]
- Q.6 What is capital budgeting? Explain various techniques of capital budgeting. [3+7=10]

**PART – C**

- Q.1 Define monopoly. Discuss the salient features of monopoly, market structure. Explain price and output determination under monopoly during short run period. [2+5+8=15]
- Q.2 Define meaning and concept of national income. Differentiate between GNP and GDP. Explain different methods of measuring national income. [3+4+8=15]
- Q.3 (a) What are the two basic financial statement? Explain their importance for various users. [2+5=7]
- (b) What is balance sheet? Illustrate the forms and contents of balance sheet. [2+6=8]