

Code No: 154AH**JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD****B. Tech II Year II Semester Examinations, December - 2024/ January - 2025****BUSINESS ECONOMICS AND FINANCIAL ANALYSIS****(Common to CSE, IT, CE(SE), CSE(CS), CSE(IOT), CSE(N))****Time: 3 Hours****Max. Marks: 75****Note:** i) Question paper consists of Part A, Part B.

ii) Part A is compulsory, which carries 25 marks. In Part A, answer all questions.

iii) In Part B, Answer any one question from each unit. Each question carries 10 marks and may have a, b as sub questions.

PART – A**(25 Marks)**

- 1.a) Define business economics. [2]
- b) What is the significance of Macro economics? [3]
- c) Define law of demand. [2]
- d) Illustrate law of supply. [3]
- e) Define factors of production. [2]
- f) What are the features of Oligopoly? [3]
- g) Define financial accounting. [2]
- h) Illustrate the Ledger with an example. [3]
- i) Define ratio analysis. [2]
- j) What is the purpose of Liquidity ratio and how it is measured? [3]

PART – B**(50 Marks)**

- 2.a) Classify the types of business entities and their salient features.
- b) Explain the different sources of capital to establish a company. [5+5]

OR

- 3.a) Elaborate inflation and explain the relationship between money supply and inflation.
- b) Examine the salient features and phases of business cycles. [5+5]

- 4.a) Explain the measurement of elasticity of demand and factors affecting of demand elasticity.
- b) Evaluate the role of elasticity of demand in decision making. [5+5]

OR

- 5.a) List out steps in demand forecasting and brief any few methods of demand forecasting.
- b) Examine the determinates of supply. [6+4]

- 6.a) Explain production function with one variable input.
- b) Analyze the types of costs with suitable example. [5+5]

OR

- 7.a) Identify the salient features of monopolistic competition.
- b) Briefly explain the significance of break-even analysis. [5+5]

- 8.a) Explain the characteristics and advantage of double entry book-keeping.
 b) Show the effect of the following information in the profit and loss account and balance sheet, being prepared on March 31,2004.

Ledger accounts	Debit(Rs.)	Credit(Rs.)
Salaries	5,000	---
Establishment expenses	7,700	---
Wages owing	----	250
Unexpected insurance	300	
Rent A/C	22,000	
Plant and Machinery	50,000	
Land and building	80,000	

Adjustments:

- i) Outstanding salaries amounted to Rs. 1,000.
- ii) Prepaid rent amount to Rs. 2,000.
- iii) The value of plant and machinery be decreased by 10%.
- iv) The value of land and building increased by 20%.
- v) Establishment expenses for March 2004, are still to be paid.

[4+6]

OR

- 9.a) Illustrate the need and purpose of trading account in the preparation of final accounts.
 b) From the following list of balances, prepare a trial balance as on 30-06-2003.

[4+6]

S. No.	Particulars	Rupees
1	Opening stock	3,600
2	Wages	2,000
3	Sales	24,000
4	Bank loan	880
5	Coal and coke	600
6	Purchase	15,000
7	Repairs	400
8	Carriage	300
9	Income Tax	300
10	Debtors	4,000
11	Lease hold premises	1,200
12	Cash in hand	40
13	Plant and Machinery	1,500
14	Loose tools	360
15	Lighting	460
16	Creditors	1,600
17	Capital	8,000
18	Miscellaneous receipts	120
19	Office salaries	500
20	Office furniture	120
21	Patents	200
22	Goodwill	3,000
23	Cash at book	1,020

- 10.a) Explain the importance of cash flow and funds flow analysis.
 b) From the following information calculate stock turnover ratio. [5+5]

	Rs.		Rs.
Opening stock	28,000	Carriage inward	4,000
Closing stock	22,000	Office expenses	4,000
Purchases	46,000	Selling and distribution expenditure	2,000
Sales	90,000	Capital employed	2,00,000
Sales return	10,000		

OR

- 11.a) Explain the causes for increase and decrease of gross profit ratio.
 b) Calculate stock turnover ratio in the following cases. [5+5]

A) Cost of goods soldRs.2,00,000.00
 Average stock Rs. 40,000.00

B) SalesRs.2,20,000.00
 Average stock Rs. 40,000.00
 Sales return Rs. 20,000.00
 Gross profit 20 % on sales

C) Opening stock Rs. 21,000.00
 Closing stock Rs. 29,000.00
 Purchases Rs.1,00,000.00
 Wages Rs. 10,000.00

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