

R18

Code No: 155AG

JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD

B. Tech III Year I Semester Examinations, January - 2025

BUSINESS ECONOMICS AND FINANCIAL ANALYSIS

(Common to EEE, ECE, EIE, MCT, AE, TTE)

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) List and briefly explain the types of business entities. [2]
- b) Differentiate between microeconomics and macroeconomics with suitable examples. [3]
- c) What are the determinants of supply? [2]
- d) Explain the factors affecting the elasticity of demand with real-world examples. [3]
- e) Explain the concept of perfect competition and its key features. [2]
- f) What are short-run and long-run cost functions? [3]
- g) What is the double-entry system of accounting? Explain with an example. [2]
- h) What is the accounting equation? Provide an example to illustrate it. [3]
- i) Discuss the importance of liquidity ratios in financial analysis. [2]
- j) Define turnover ratios and provide an example. [3]

PART - B

(50 Marks)

2. Evaluate the role of a business economist in shaping business strategies in today's economic environment. [10]

OR

- 3.a) Analyze a case study of an Indian company that successfully adapted its business model in response to macroeconomic changes. [5]
- b) Discuss the strategies employed and their outcomes. [5]

4. Despite pitfalls, forecasting is indispensable to a business firm. Discuss the importance of forecasting in light of this statement. [10]

OR

- 5.a) Given the following demand schedule for a product, calculate the price elasticity of demand between two price points:
Price: \$10, Quantity Demanded: 100
Price: \$8, Quantity Demanded: 150
- b) Discuss the implications of your findings regarding pricing strategy. [5+5]

6.a) Examine the characteristics of different market structures (perfect competition, monopoly, oligopoly) and their effects on pricing strategies.

b) Explain how these strategies impact consumer welfare using real-world examples. [5+5]

7. Distinguish the long run from the short run and explain the relevance of the distinction to cost analysis. [10]

8.a) Critically analyze the process of preparing financial statements from journal entries to final accounts, using a hypothetical scenario with sample transactions.

b) Highlight potential challenges associated with the process of preparing financial statements. [5+5]

OR

9.a) You are tasked with designing a simplified accounting system for a small non-profit organization. Consider the unique needs and challenges of such an organization.

b) Outline the key accounts, journals, and ledgers you would recommend, and explain how these would be used to track income, expenses, and the organization's overall financial health. [5+5]

10.a) Design a comprehensive financial analysis framework using various ratios (liquidity, profitability, solvency) to evaluate a company's performance. Assume appropriate values wherever applicable.

b) Include recommendations based on your analysis. [5+5]

OR

11.a) Calculate the current ratio and quick ratio for a company with the following financial data:

Current Assets: \$200,000

Inventory: \$50,000

Current Liabilities: \$100,000

b) Interpret these ratios in terms of liquidity. [5+5]

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