

R22

Code No: 185AR

JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD

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

BUSINESS ECONOMICS AND FINANCIAL ANALYSIS

(Common to ME, ECE, EIE, AE)

Time: 3 Hours

Max. Marks: 60

Note: This question paper contains two parts A and B.

i) Part- A for 10 marks, ii) Part - B for 50 marks.

- Part-A is a compulsory question which consists of ten sub-questions from all units carrying equal marks.
- Part-B consists of ten questions (numbered from 2 to 11) carrying 10 marks each. From each unit, there are two questions and the student should answer one of them. Hence, the student should answer five questions from Part-B.

PART- A

(10 Marks)

- 1.a) What are the non-conventional source of finance? [1]
- b) Define business cycle. [1]
- c) What is elasticity of demand? [1]
- d) Illustrate the supply function. [1]
- e) Brief on production function. [1]
- f) What is monopolistic competition? [1]
- g) What are the accounting conventions? [1]
- h) What is trial balance? [1]
- i) What is liquidity? [1]
- j) What is leverage? [1]

PART - B

(50 Marks)

- 2.a) Explain the structure and theory of business firm.
 - b) Discuss the features of Limited Liability Company. [5+5]
- OR**
- 3.a) Explain the micro and macro-economic concepts.
 - b) Discuss the multidisciplinary nature of business economics. [5+5]
- 4.a) Explain the significance of elasticity of demand and factors affecting elasticity.
 - b) What is law of supply? Explain its principles. [5+5]
- OR**
- 5.a) Explain the various methods of demand forecasting.
 - b) Discuss the steps involved in demand forecasting process. [5+5]
- 6.a) Explain the various factors of production and brief on return to scale.
 - b) What is Break Even Analysis? Explain graphically. [5+5]
- OR**
- 7.a) Discuss the different types of production functions.
 - b) Explain the importance of Cost Volume Analysis in pricing. [5+5]

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- 8.a) What is the importance of double entry system of accounting?
b) Explain the procedure to prepare the final accounts of a business firm. [5+5]

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- 9.a) Explain the rules for maintaining books of accounts of a business firm.
b) Discuss the various elements of financial statements. [5+5]

- 10.a) What is fund flow analysis? Explain the purpose of fund flow analysis.
b) Calculate Inventory Turnover Ratio with the following information:

Cash Sales 25% of Credit Sales;
Credit Sales ₹3,00,000;
Gross Profit 20% on Revenue from Operations, i.e., Net Sales;
Closing Inventory ₹1,60,000;
Opening Inventory ₹40,000. [5+5]

OR

- 11.a) What is Financial Leverage? Explain its importance.
b) You are required to calculate the following:

i) Working Capital Turnover Ratio, ii) Fixed Assets Turnover Ratio, iii) Capital Turnover Ratio.
The information available is as under:
Capital employed Rs.4,00,000.
Current assets Rs.2,00,000; Current liabilities Rs.40,000.
Net fixed assets Rs.2,50,000; Sales Rs.5,00,000. [5+5]

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QA QA QA QA QA QA QA QA G

QA QA QA QA QA QA QA QA G

QA QA QA QA QA QA QA QA G