

R18

Code No: 155AG

JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD

B. Tech III Year I Semester Examinations, March - 2024

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) What is deflation? [2]
- b) What are the phases of trade cycle? [3]
- c) What is law of supply? [2]
- d) What is a demand schedule? [3]
- e) Which are the two inputs you would consider for production function with two variable inputs? [2]
- f) What is sealed bid pricing? [3]
- g) What is a nominal account? [2]
- h) What is a contra entry? Where does it appear? [3]
- i) How does dividend per share differ from EPS? [2]
- j) What is ROI? What is its importance? [3]

PART – B

(50 Marks)

- 2.a) How does a business economist contribute to the business organization?
- b) Point out the sources of long-term capital for a company. [5+5]

OR

- 3.a) What are the methods of measuring national income?
- b) Briefly explain the nature of business economics. [5+5]

- 4.a) Calculate the income elasticity of demand given the following.
Income of a consumer is Rs. 30,000 p.m. And the consumer took his family twice a month to movies. When the income goes up to Rs. 40,000 p.m. he was found taking his family to movies thrice a month.

- b) What is barometric technique of demand forecasting? [6+4]

OR

- 5.a) Which of the following pairs of goods, are substitutes and which are complements? Explain.

- i) Insulation and heating oil.
- ii) Burger and tomato ketchup
- iii) Television set and videocassette recorder
- iv) Rice and potatoes.

- b) What are the exceptions to law of demand? [4+6]

- 6.a) What are the features of perfect competition?
 b) What is market skimming strategy? [6+4]

OR

- 7.a) What is diseconomies of scale? When does it result?
 b) What are the limitations of break-even analysis? [5+5]

8. Journalize the following transactions and post to the Ledger: [10]

2023	Rs.
Jan 01 Surendra started business with cash	5,00,000
02 Goods purchased from Prasad on credit	20,000
03 Goods sold to Prem	50,000
04 goods purchased from Sohan for cash	40,000
05 Paid for wages	5,000
15 goods purchased from Prem	10,000
17 goods sold to Om	5,000
21 goods purchased from Charanjit	30,000
23 paid for interest	1,500
24 Goods purchased from Om	20,000
28 Cash received from Prem	10,000
31 Cash paid to Charanjit	30,000
31 Paid for Rent	10,000

OR

9. What is a Trial Balance? What does it show? What are the errors revealed by it? What are the errors not revealed by it? [10]

10. The following information is taken from a firm:

Particulars	Rs.
Sales	33,984
Sales returns and allowances	380
Stock at the beginning	1,378
Stock at the end	1,814
Gross profit for the year	8,068

Calculate: a) purchase for the year b) rate of stock turnover and c) percentage of gross profit to turnover. [10]

OR

11. What are liquidity ratios? What are the standard norms for liquidity ratios? What is the importance of liquidity ratios? Briefly explain. [10]