

**R18**

**Code No: 155AG**

**JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD**

**B. Tech III Year I Semester Examinations, July/August - 2023**

**BUSINESS ECONOMICS AND FINANCIAL ANALYSIS**

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

**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. Write short notes on the following:
- a) Brief on importance of national income [2]
  - b) Macro Economics concepts [3]
  - c) Determinants of demand [2]
  - d) Steps in demand forecasting [3]
  - e) Factors of production [2]
  - f) Monopoly characteristics [3]
  - g) Illustrate steps in going concern accounting concept [2]
  - h) Trial Balance preparation [3]
  - i) How do you find Gross profit? [2]
  - j) Illustrate the Fixed Assets and Current Assets. [3]

**PART – B**

**(50 Marks)**

- 2.a) State the features of Sole proprietorship firm and differentiate between Private and Public Ltd Company.  
b) Brief on phases of business cycle. [5+5]
- OR**
- 3.a) Describe the role of a Business Economist.  
b) What is Inflation? Explain the types of inflation. [5+5]
- 4.a) Illustrate Law of Demand with the help of demand curve and demand schedule.  
b) What is Elasticity of Demand? How is it measured? [5+5]
- OR**
- 5.a) Briefly explain the methods of Demand forecasting.  
b) Explain the Law of Supply. [5+5]
- 6.a) Define Production function. What is its importance?  
b) Compare and contrast Perfect competition and Monopoly. [5+5]
- OR**
- 7.a) Identify the pricing strategies that are adopted during the Life Cycle of a product.  
b) Describe Break-even point with the help of diagram and its uses in business decision making. [5+5]

- 8.a) What is Double Entry System of Book-keeping and brief on accounting concepts?  
 b) Differentiate between a Journal and Ledger. [5+5]

**OR**

- 9.a) The following is the Trial Balance of Mohan Rao as on December, 31<sup>st</sup> 2021.

Debit Balance	Rs.	Credit Balance	Rs.
Stock (1-1-2021)	3,000	Sales	52,000
Purchases	37,000	Purchase returns	900
Carriage	300	Creditors	11,000
Sales returns	500	Capital	9,000
Salaries	4,000	Bills payable	5,000
Wages	1,000		
Rent	1,800		
Discount	1,000		
Repairs	300		
Misc. Expenses	1,000		
Cash in hand	3,000		
Furniture & Fixtures	6,000		
Debtors	12,000		
Drawings	7,000		
	<b>77,900</b>		<b>77,900</b>

The closing stock on December 31, 2001 was Rs. 8,000. You are required to prepare Trading and Profit and Loss Account for the year ending December 31, 2021 and a Balance sheet as on that date.

- b) Brief on accounting concepts and conventions. [6+4]
10. What is Ratio analysis? Explain the significance and advantages of Ratio analysis. [10]

**OR**

11. Explain the following ratios:  
 a) Gross profit ratio  
 b) Fixed assets turnover ratio  
 c) Inventory turnover ratio.

[3+3+4]

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