

**R16**

Code No: 134AG

**JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD**

**B. Tech II Year II Semester Examinations, September/October - 2023**

**BUSINESS ECONOMICS AND FINANCIAL ANALYSIS**

**(Common to CE, EEE, ME, ECE, CSE, EIE, IT, AE, MIE)**

**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) Describe the Non- conventional sources of Finance. [2]
- b) Identify the major advantage of sole proprietorship? [3]
- c) Illustrate the Law of Demand. [2]
- d) Describe the Characteristics of a good demand forecasting. [3]
- e) Illustrate the Production Function. [2]
- f) Describe the Returns to scale stages. [3]
- g) Write the importance of double entry system of Book-keeping. [2]
- h) Write the Accounting Equation. [3]
- i) Brief on Working Capital and its components. [2]
- j) For the best use of ratio analysis, what should be the reference for comparison for a company and why? [3]

**PART – B**

**(50 Marks)**

- 2.a) Describe the various stages of business cycle.
  - b) Narrate the nature of business economics. [5+5]
- OR**
- 3.a) Distinguish between positive and normative approach of study.
  - b) What is the implication of the word 'limited' after the company's name? [5+5]
- 4.a) What is the need for demand forecasting?
  - b) With suitable examples distinguish between complementary goods and substitutes. [5+5]

**OR**

- 5.a) Explain in detail, the Law of Supply.
  - b) How is Law of supply helpful in decision making? [5+5]
- 6.a) Explain the features of Monopolistic competition.
  - b) Explain the concept of cost-volume-profit analysis. [5+5]

**OR**

- 7.a) Explain Law of Diminishing Returns. How are they helpful in managerial decisions?
- b) How do you classify the costs? Explain. [5+5]

- 8.a) What are accounting concepts? Discuss the accounting concepts in detail.  
b) What are the types of accounts and what are the rules governing them? Give two examples for each of them. [5+5]

**OR**

- 9.a) What is "Accounting"? Explain the conventions of accounting.  
b) Journalize the following transactions:  
Jan 1, 2018 Commenced with Cash Rs. 10,00,000  
Jan 3, 2018 Purchased Goods worth Rs. 2,00,000  
Jan 8, 2018 Sold goods to Mr. Raghu Rs. 1,00,000  
Jan 30, 2018 Salaries Paid Rs. 20,000  
Jan 30, 2018 Rent Paid Rs. 10,000 [5+5]

- 10.a) How accounting ratios are useful in the inter-firm comparison?  
b) What are turnover ratios? What purpose is served by debtor's turnover ratio and creditor's turnover ratio? [5+5]

**OR**

- 11.a) Explain the importance of Ratio analysis as a technique for analyzing Financial Statements.  
b) Calculate: i) Debt equity ratio ii) Liquidity ratio  
Stock 30,000  
Equity Capital 1,00,000  
Debtors 40,000  
Secured loan 1,00,000  
Sales 5,60,000  
Land and Buildings 1,40,000  
Reserves 50,000  
Good will 60,000 [4+6]

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