

R18

Code No: 155AG

JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD

B. Tech III Year I Semester Examinations, January/February - 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) Sole proprietorship | [2] |
| b) Micro Economics | [3] |
| c) Factors affecting elasticity of demand | [2] |
| d) Determinants of supply | [3] |
| e) Marginal cost pricing | [2] |
| f) Monopoly | [3] |
| g) Business Entity concept | [2] |
| h) Ledger | [3] |
| i) Debt and Equity | [2] |
| j) Debtors and Creditors | [3] |

PART – B

(50 Marks)

2.a) What are the features of a Joint Stock Company.

b) Describe the sources of Long term capital for a company. [5+5]

OR

3.a) Discuss the nature and scope of Business Economics.

b) What is a Business Cycle? Explain the phases of Business Cycle. [5+5]

4.a) Why does the demand curve slope downward from left to right.

b) Define Elasticity of demand? Explain its significance. [5+5]

OR

5.a) Outline the characteristics of good demand forecasting.

b) Explain Survey based demand forecasting method with appropriate examples. [5+5]

6.a) What do you mean by Returns to scale?

b) State the features of Perfect competition and brief on price determination in perfect competition. [5+5]

OR

7.a) Write a note on pricing methods.

b) Break-even analysis is highly important in output decision making? Discuss. [5+5]

8.a) What do you mean by “Double entry system of Book Keeping” and brief on concepts of accounting.

b) What is a Trial Balance? State its objectives and significance. [5+5]

OR

9. The following are the balances as on December 31, 2022 extracted from the books of Mishra.

Particulars	Rs.
Bills payable	4,000
Outstanding expenses	1,000
Sales	1,00,000
Purchases	70,000
Returns inward	1,500
Returns outward	2,300
Stock	18,000
Carriage	3,000
Rent & rates	4,500
Discount allowed	2,000
Discount received	1,000
Printing	1,500
Insurance	2,200
Postage	400
Miscellaneous expenses	700
Bad debts	1,000
Debtors	30,000
Creditors	33,000
Wages	8,000
Drawings	4,000
Capital	60,000
Building	45,000
Furniture	2,500
Cash in hand	7,000

The Stock on December 31, 2022 was Rs. 25,000. You are required to prepare Trial Balance, Trading Account and Profit and Loss Account for the year ending December 31, 2022 and also the Balance Sheet as on that date. [10]

10. What is Ratio analysis? What are its objectives and limitations and brief on the role of ratio analysis in financial analysis of firm? [10]

OR

11. Explain the following ratios.

a) Current Ratio

b) Quick Ratio

c) Interest coverage ratio.

[3+3+4]