

**R18**

**Code No: 155AG**

**JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD**

**B. Tech III Year I Semester Examinations, August - 2022**

**BUSINESS ECONOMICS AND FINANCIAL ANALYSIS**

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

**Time: 3 Hours**

**Max. Marks: 75**

**Answer any five questions  
All questions carry equal marks**

---

- 1.a) Discuss the nature and scope of Business Economics.
- b) What role does the managerial economist play in business? [7+8]
- 2.a) What is Inflation? Explain its economic effects on different people.
- b) Describe briefly the different phases of Business Cycle. [7+8]
- 3.a) Explain Law of demand and point out its assumptions and exceptions.
- b) Define Elasticity of demand. What is its practical significance? [8+7]
- 4.a) What is Demand forecasting? What are the characteristics of good demand forecasting?
- b) Describe the qualitative methods of demand forecasting. [7+8]
- 5.a) Give a broad classification of the factors of production.
- b) What do you understand by Returns to scale? Discuss. [7+8]
- 6.a) Compare and contrast Perfect competition and Monopoly.
- b) Discuss the strategies that may be adopted during different stages of Product Life Cycle. [7+8]

7. The following is related to Khouisik for the year ending 2019. Prepare Trading Account, Profit and Loss Account and Balance Sheet. Closing stock was valued at Rs. 20,800.

[15]

Particulars	Balance (Dr)	Balance (Cr)
Capital		48,800/-
Cash in hand	700/-	
Purchases & Sales	80,000/-	1,90,000/-
Bank loan		20,000/-
Returns	3,000/-	1,500/-
Carriage	3,400/-	
Stock on 1-4-2018	13,000/-	
Bills receivable	8,000/-	
Bills payable		6,000/-
Rent and taxes	7,200/-	
Salaries	24,000/-	
Wages	12,000/-	
Office expenses	1,200/-	
Trade expenses	800/-	
Discount	700/-	600/-
Sundry debtors	29,600/-	
Sundry creditors		13,000/-
Machinery	72,000/-	
Furniture	18,000/-	
Drawings	4,800/-	
Advertising	600/-	
Bank charges	100/-	
Insurance	800/-	
<b>TOTAL</b>	<b>2,79,900/-</b>	<b>2,79,900/-</b>

- 8.a) What is financial ratio analysis? Explain how accounting ratios are important in decision making.
- b) A company has 15,000 shares, market price of which Rs. 45 per share and its net profit after taxes for the financial year 2017-18 is Rs. 4,50,000. Find Price-earning ratio and Earnings per share.

[7+8]

---oo0oo---

Code No: 155AG

JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD

B. Tech III Year I Semester Examinations, September - 2021

BUSINESS ECONOMICS AND FINANCIAL ANALYSIS

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

Time: 3 hours

Max. Marks: 75

**Answer any five questions**  
**All questions carry equal marks**

----

1. Briefly explain the nature of partnership firm. Compare and contrast this form of organization with limited liability company. [15]
- 2.a) What are economic goods?  
 b) Explain in simple terms why mild inflation is considered good for the economy. [7+8]
- 3.a) What are the determinants of demand?  
 b) Distinguish between the following:  
 i) Superior goods and inferior goods  
 ii) Complementary goods and substitutes. [7+8]
- 4.a) Compute the cross elasticity of tea for coffee given the following data:  
 The price of coffee is at present Rs.600 per kilogram. When it goes up to Rs. 800 per kilogram, the demand for tea for a typical household rises from 1 kilogram per month to 1.5 kilogram.  
 b) What are the statistical methods of demand forecasting? What are their limitations in general? [7+8]
- 5.a) What is meant by economics of scale? Brief on types of economics of scales.  
 b) What are the characteristic features of oligopoly market and monopolistic competition? [7+8]
- 6.a) Explain advocating the reasons, the typical pricing strategies adopted in pricing of products along the different stages of product life cycle.  
 b) Brief on CVP analysis. [9+6]
7. For each transaction of XXX Company during April 2021, prepare the journal entry.  
 a) Purchased laptop computers for Rs.3,55,000 from Dell Corporation on credit.  
 b) Paid Rs.2,000 cash for April rent on office space.  
 c) Received Rs.22,500 cash from customers who received services last month.  
 d) Provided services to Jasmine Co. for Rs.10,000 cash.  
 e) Paid Office Depot Rs.3,000 cash for office supplies purchased and used in April.  
 f) Stockholders contributed an additional Rs.30,000 in the business in exchange for common stock.  
 g) Paid Dell for computers purchased in transaction earlier.  
 h) Incurred advertising expense for April Rs.1,200 on account. [15]

- 8.a) What are the limitations of ratio analysis and describe the solvency ratios.  
b) 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: i) rate of stock turnover and ii) percentage of gross profit to turnover. [7+8]

---ooOoo---

PAPERS SEP-2021

Code No: 155AG

JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD

B. Tech III Year I Semester Examinations, March - 2021

BUSINESS ECONOMICS AND FINANCIAL ANALYSIS

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

Time: 3 Hours

Max. Marks: 75

Answer any five questions  
All questions carry equal marks

- - -

- 1.a) Which are the non-conventional sources of money? Briefly explain.  
b) What is inflation? What are the various types of inflation? [9+6]
- 2.a) What are the advantages of joint stock companies?  
b) What are the determinants of supply? [7+8]
- 3.a) Assume that the average price of one of the models of car in a particular city is Rs. 4,50,000 and 80,000 cars are sold at this price in a year. If the price elasticity of demand for this model of car is 1.7, what will be the effect on sales when the average price of this model declines to Rs. 4,05,000?  
b) Bring out the essential characteristics of good demand forecast. [9+6]
- 4.a) Explain why a firm cannot have isoquants intersecting each other.  
b) A firm sells each unit of its output for Rs.20. Its variable cost per unit is Rs.15 and fixed cost is Rs.2,40,000. It wishes to earn a profit of 30,000. How much should it produce? What will be the profit or loss when the company produces and sells 80,000 units? [7+8]
- 5.a) Explain the following two pricing methods.  
i) Sealed bid pricing  
ii) Market skimming.  
b) What are the essential differences between monopolist and oligopoly markets? [8+7]
- 6.a) State the nature of the a/c as to which of the following is nominal, real and personal and show which account will be debited and which account will be credited.  
i) Rent received  
ii) Machinery purchased  
iii) Interest paid  
iv) Commission paid  
v) Discount received  
vi) Building sold  
vii) Capital introduced  
viii) Rent paid  
xi) Interest received in advance  
x) Goods sold  
b) Explain the following accounting concepts.  
i) Cost concept. ii) Money measurement concept. [10+5]

- 7.a) How does ratio analysis help in interpreting financial statements?  
b) Distinguish between Accrual basis of accounting and Cash basis of accounting. [7+8]

8. From the following data, calculate:

- a) Net worth to debt.  
b) Inventory turn over  
c) Net profit ratio and  
d) Return on total assets.

[15]

Particulars	Rs.
Sales	25,20,000
Cost of sales	19,20,000
Net profit	3,60,000
Inventory	8,00,000
Other current assets	7,60,000
Fixed assets	14,40,000
Net worth	15,00,000
Debt	9,00,000
Current liabilities	6,00,000

---ooOoo---

USDPAPER MARCH-2021

Code No: 153AE

JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD

B. Tech II Year I Semester Examinations, March - 2022  
**BUSINESS ECONOMICS AND FINANCIAL ANALYSIS**  
 (Common to ECM, CSBS, CSIT, CSE(AIML), CSE(DS))

Time: 3 Hours

Max. Marks: 75

Answer any five questions  
 All questions carry equal marks

---

- 1.a) Briefly explain the types of Business entities.  
 b) State the sources of long term capital for a company. [7+8]
- 2.a) Discuss the nature and scope of Business Economics.  
 b) Explain briefly the different concepts of National Income and their usefulness. [7+8]
- 3.a) Explain the Law of demand with the help of demand schedule and demand curve. Are there any exceptions?  
 b) Define demand elasticity and brief on the methods of measuring elasticity. [8+7]
- 4.a) Describe the importance of demand forecasting for business enterprises.  
 b) What are the determinants of Supply and discuss the law of supply? [8+7]
- 5.a) Write a note on factors of Production and examine the law of returns to scale.  
 b) Differentiate between Fixed cost and Variable cost. [8+7]
- 6.a) What are the features of Perfect competition.  
 b) Illustrate the stages of Product Life Cycle and the pricing strategies that may be followed at each stage. [7+8]
7. From the following balances of Mr. Giridhar as on 31-12-2019, prepare Final Accounts with closing stock of Rs. 10,000. [15]

Particulars	Rs.	Particulars	Rs.
Purchases	42,000	Creditors	10,000
Loan on Mortgage	30,000	Bills Receivable	3,000
Wages	30,000	Cash at Bank	2,000
Salaries	7,200	Debtors	30,000
Bills Payable	4,000	Machinery	20,000
Loose Tools	1,000	Insurance	150
Cash in hand	1,000	Land	40,000
Stationary	1,200	Capital	40,000
Office Expenditure	700	Interest	1,500
Sales	96,400	Rent	650

- 8.a) Explain the role of Ratio analysis in the interpretation of financial statements.  
 b) A company has 1500 shares, market price of which is Rs. 45 per share and its Net profit after taxes for the financial year 2019-2020 is Rs. 4,50,000. Find the Earnings per share (EPS) and Price Earnings (PE) Ratio. [7+8]

Code No: 153AE

JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD

B. Tech II Year I Semester Examinations, August/September - 2022

BUSINESS ECONOMICS AND FINANCIAL ANALYSIS

(Common to ECM, CSBS, CSIT, CSE(AIML), CSE(DS))

Time: 3 hours

Max. Marks: 75

**Answer any five questions**  
**All questions carry equal marks**

- - -

- 1.a) What is the role of business economists in a business organization?  
b) What are the long-term sources of capital for a company? [8+7]
- 2.a) What are the various phases of business cycle? Briefly explain them.  
b) Why inflation affects poor more than rich? [8+7]
- 3.a) What would you expect to be the behavior of cross elasticity of the following pairs of products? Would they be positive, negative or zero? Why?  
i) Coca cola and Pepsi cola  
ii) Desks and chairs.  
iii) Dark chocolate and children's socks.  
b) Explain why companies spend money for forecasting the future demand of their products and brief on methods of demand forecasting. [8+7]
- 4.a) What is the relevance of demand analysis to marketing people based on given the demand function  $Q = 15 - 3P$ , prepare a demand schedule showing demand for any four price variations.  
b) Examine the determinants of supply and brief on law of supply. [8+7]
- 5.a) Distinguish between:  
i) explicit costs and implicit costs.  
ii) real cost and opportunity cost.  
b) Indicate the type of market structures prevailing in India among the producers of each of the following goods and services:  
i) electricity ii) mobile phone services iii) airline transport service iv) toothpaste  
v) banking services vi) television transmission services. [6+9]
- 6.a) Explain the laws of returns to scale with an illustration.  
b) What are the applications of break-even analysis? [7+8]
- 7.a) Journalize the following transactions in the books of Mukesh & Co.:  
Jan 1. Mukesh started business with Rs. 1,00,000. Paid into bank Rs.80,000  
3. Bought office furniture by paying through cheque Rs.30,000  
5. Sold goods for cash Rs. 10,000  
8. Paid Anil Rs. 6,000 and was allowed a discount Rs.600  
12. Received from Mahindra a cheque for Rs.6900 and allowed him a discount of Rs.100; the cheque was deposited into bank.  
18. Withdraw from bank for office use Rs.10,000  
24. Received for cash sales by cheque Rs. 12,000  
31. Draw for personal use cash Rs.1,000; salaries paid Rs.5,000.  
b) What are the errors disclosed by trial balance? [10+5]



8.a) Calculate: i) Current ratio and ii) quick ratio given the following:

Liabilities	Rs.	Assets	Rs.
Bank overdraft	40,00,000	Cash in hand	2,00,000
Creditors	60,00,000	Cash in bank	10,00,000
Outstanding creditors	7,00,000	Bills receivable	30,00,000
Provision for taxation	20,00,000	stock	40,00,000
Dividends proposed	10,00,000	Debtors	70,00,000

b) What is meant by "Funds from operations" and explain the procedure for preparation of funds flow statement? [8+7]

---ooOoo---

<b>R18</b>
------------

Code No: 153AE

JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD

B. Tech II Year I Semester Examinations, April/May - 2023

BUSINESS ECONOMICS AND FINANCIAL ANALYSIS

(Common to PTM, CSE(AI&amp;ML))

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. Brief on the following:
- |  |     |
|--|-----|
| a) Non-Conventional Sources of Finance.            | [2] |
| b) Multidisciplinary Nature of Business Economics. | [3] |
| c) Types of Elasticity of Demand.                  | [2] |
| d) Steps in Demand Forecasting.                    | [3] |
| e) Short Run and Long Run Cost Functions.          | [2] |
| f) CVP Analysis and its uses.                      | [3] |
| g) Single vs. Double Entry Systems of Accounting.  | [2] |
| h) Preparation of Trial Balance.                   | [3] |
| i) Proprietary Ratios and their uses.              | [2] |
| j) Introduction to Funds Flow Analysis.            | [3] |

**PART – B****(50 Marks)**

- 2.a) What are the various types of Business Entities?  
 b) What is the procedure for setting up a Public Limited Company? [5+5]

**OR**

- 3.a) What is Economics? And what are the major differences between Micro and Macro-Economics?  
 b) What is the Equilibrium in the Economy? Give any 2 examples. [5+5]

- 4.a) What is Demand Forecasting? And describe the methods of demand forecasting.  
 b) If you are setting up a Private Limited Company in your State for training graduate students for enhancing their leadership qualities, how will you estimate the demand for the same? [5+5]

**OR**

- 5.a) What is Supply? Brief on law of Supply.  
 b) What are the determinants of Supply? [5+5]

6. A Cost Benefit Analysis weighs the pros and cons, or benefits and costs, of a project or to determine its feasibility or to compare alternatives. This can weigh decisions that have calculable financial risks and rewards, or to quickly evaluate a new initiative.  
a) How understanding a project's costs and benefits estimate the needed resources (and associated costs), b) Inform your methods for measuring project success? [5+5]

**OR**

- 7.a) What is 'Product Life Cycle' based Pricing?  
b) Briefly explain 'Break-Even Analysis'. And Give the advantages of Break-Even Analysis. [5+5]
- 8.a) What are Financial Accounting Concepts and Conventions?  
b) What is preparation of Trial Balance of accounts? Give an example. [5+5]

**OR**

9. For the year 31 March, 2022, the P&L of K Ltd before charging Depreciation and Managerial Commission amounted to Rs.3 lakhs. Depreciation amounted to Rs.60,000. The Paid-up Capital of the company was Rs.10 lakhs divided into 50,000 equity shares of Rs.10 each and 5000 6% Preference shares. Interim dividend of Rs.50 per share was paid during the year. Brought from the previous year, the credit balance in P&L A/c was Rs.35,000. Also, to Pay Preference Dividend for the year; to pay final dividend of Rs.0.50 per share to make up a total dividend of Rs.1 per share. To provide for taxation at 50% on Net Profit. To transfer Rs.25,000 to General Reserve. To carry forward the balance. Required: To show P&L A/c. For the above problem, show P&L Appropriation account. [10]

- 10.a) What is the concept of Financial Ratio Analysis? And what are its key takeaways?  
b) What are the four types of Ratio Analysis? And brief on their uses, with examples. [5+5]

**OR**

- 11.a) What are the differences between Funds Flow Analysis and Cash Flow Analysis?  
b) Give a small example for the Funds Flow Statement. [5+5]

---ooOoo---