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Code No: 155AJ

JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD

B. Tech III Year I Semester Examinations, March - 2021
BUSINESS ECONOMICS AND FINANCIAL ANALYSIS

(Mechanical Engineering)

Time: 3 Hours

Max. Marks: 75

Answer any five questions
All questions carry equal marks

- 1.a) State the responsibilities and special functions of a Business Economist.
- b) Business Economics is multidisciplinary in nature. Explain. [8+7]

- 2.a) What is a Joint Stock Company. What are its features, advantages and disadvantages?
- b) Discuss the sources of Long term capital for a company. [8+7]

- 3.a) Explain briefly the different concepts of National Income and their usefulness.
- b) Define Elasticity of demand. Discuss the factors affecting elasticity of demand. [7+8]

- 4.a) What is Demand forecasting. Explain any two methods of demand forecasting.
- b) State and explain the Law of supply. [7+8]

- 5.a) Define Production function. What is its importance?
- b) Differentiate between Fixed Cost and Variable Cost. Give examples of each. [7+8]

- 6.a) Compare and contrast perfect competition and Monopoly.
- b) Illustrate Break-even analysis with the help of Break-even chart. [7+8]

- 7.a) What is the difference between a Journal and Ledger.
 b) From the following Trial Balance of Sri Gupta & Son, prepare Trading and Profit and Loss Account for the year ended 31st March, 2014.

Trail Balance As on 31st March, 2014		
Particulars	Debit (Rs)	Credit (Rs)
Ram's Capital		29,000
Ram's Drawings	760	
Purchases and Sales	8,900	15,000
Sales and Purchase Returns	280	450
Stock (1-4-2013)	1,200	
Wages	800	
Buildings	22,000	
Freight and Carriage	2,000	
Trade expenses	200	
Advertisement	240	
Interest		350
Taxes and Insurance	130	
Debtors and Creditors	6,500	1,200
Bills Receivable and Payable	1,500	700
Cash at Bank	1,200	
Cash in Hand	190	
Salaries	800	
	46,700	46,700

Adjustment: Stock on 31st March, 2014 was valued at Rs. 1500.

[15]

- 8.a) How are Ratios classified. What do they indicate?
 b) What is a Funds Flow Statement? Discuss its utility.

[7+8]

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