

Code No.: SM401MS

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CMR ENGINEERING COLLEGE: : HYDERABAD

UGC AUTONOMOUS

II-B.TECH-II-Semester End Examinations (Supply) -July - 2024

BUSINESS ECONOMICS & FINANCIAL ANALYSIS

(Common to CSE, IT, CSC, CSD & AI&DS)

[Time: 3 Hours]

[Max. Marks: 70]

Note: This question paper contains two parts A and B.

Part A is compulsory which carries 20 marks. Answer all questions in Part A.

Part B consists of 5 Units. Answer any one full question from each unit. Each question

carries 10 marks and may have a, b, c as sub questions.

**PART-A**

**(20 Marks)**

1. a) Define Business Economics. [2M]
- b) Write any two types of Capital. [2M]
- c) What is Law of Demand. [2M]
- d) Define Supply Function. [2M]
- e) Define Return to Scales. [2M]
- f) Define Long Run Cost. [2M]
- g) What is Double Entry Book Keeping? [2M]
- h) Explain the Rule of Personnel Account. [2M]
- i) What is Cash Flow? [2M]
- j) Define Solvency Ratio. [2M]

**PART-B**

**(50 Marks)**

2. What is Business Economics? Explain its Nature and Scope. [10M]
- OR**
3. Define Business Cycle? Explain its Phases. [10M]
4. Explain the Methods of Demand Forecasting. [10M]
- OR**
5. Describe about factors affecting Elasticity of Demand. [10M]
6. Explain the Assumptions of Law of Variables. [10M]
- OR**
7. Define Production Function? Explain Short run and Long run Production. [10M]

8. From the following Trial balance Prepare Trading, Profit and Loss Account and Balance sheet for the year ending 31-03-2016 [10M]

<b>Debit Balance</b>	<b>Rs</b>	<b>Credit Balance</b>	<b>Rs</b>
Debtors	52000	Creditors	22000
Clash in Hand	1592	Sales	292000
Motor car	22000	Capital	70000
Furniture	35000		
Purchases	195000		
Sales return	2600		
Patent	8420		
Opening stock	7000		
Motor car expenses	11400		
Rent Rates and Expenses	6108		
Insurance Premium	2400		
Machinery	24000		
Wages	23600		
General Expenses	2680		
Carriage inwards	2040		
Carriage outwards	1130		
Discount	500		
Fuel	6430		
Drawings	8000		
	384000		384000

**OR**

9. Define Accounting. Explain its Concepts and Conventions. [10M]
10. From the flowing Trading and Profit and Loss Account of Ravinder Company Limited for the year ended March 2000 Calculate. a) Gross Profit Ratio b) Net Profit Ratio c) Operating Ratio d) Operating Profit Ratio. [10M]

Profit & Loss Account

To Opening stock	30000	By Net Sales	110000
To Purchase	60000	By Closing Stok	20000
To Wages	10000		
To Gross Profit	30000		
	130000		130000
To Administrative Expenses	10000		
To Selling and Distribution Expenses	5000	By Gross Profit(b/d)	30000
To Net Profit	20000	By Sundry receipt	5000
	295000		295000

**OR**

11. Explain the Difference between the Fund Flow and Cash Flow Statement. [10M]

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