

R16

Code No: 134AG

JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD

B.Tech II Year II Semester Examinations, December - 2018

BUSINESS ECONOMICS AND FINANCIAL ANALYSIS

(Common to CE, EEE, ME, ECE, CSE, EIE, IT, MCT, MMT, AE, MIE, PTM, CEE, MSNT)

Time: 3 Hours

Max. Marks: 75

Note: This question paper contains two parts A and B.  
Part A is compulsory which carries 25 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

(25 Marks)

1. Explain the following concepts in about five sentences each:
- |                       |     |
|-----------------------|-----|
| a) Business           | [2] |
| b) National Income    | [3] |
| c) Elasticity         | [2] |
| d) Supply function    | [3] |
| e) Cost               | [2] |
| f) Monopoly           | [3] |
| g) Nominal account    | [2] |
| h) Conservatism       | [3] |
| i) Liquidity          | [2] |
| j) Networking capital | [3] |

PART-B

(50 Marks)

- 2.a) What are the various sources of capital for a company? Explain. [5+5]  
b) Elucidate the significance of business economics. [5+5]
- OR
- 3.a) Describe the various stages of business cycle. [5+5]  
b) Narrate the nature of business economics. [5+5]
- 4.a) Explain the Law of demand with assumptions. [5+5]  
b) Enumerate the influencing factors of elasticity of demand. [5+5]
- OR
- 5.a) How do you apply the elasticity of demand in decisions making? Explain. [5+5]  
b) Discuss the essential characteristics of demand forecasting. [5+5]
- 6.a) Narrate the various types of production function. [5+5]  
b) How do you classify the costs? Explain. [5+5]
- OR
- 7.a) Explain the features of perfect competition. [5+5]  
b) Narrate the stages of product life cycle. [5+5]

- 8.a) Outline the pros and cons of double entry system of accounting.  
 b) What are rule of maintaining of books of accounts? Explain. [5+5]

OR

- 9.a) Prepare Profit and Loss Account, from the following balances of Mr. X for the year ending 31.03.2014

Particulars	Amount (Rs.)
Office rent	3,000
Printing expenses	2,200
Tax, Insurance	1,400
Discount received	400
Advertisement	3,600
Salaries	8,000
Stationeries	2,400
Discount allowed	600
Travelling expenses	2,600
Gross Profit transferred from the Trading A/c	25,000

- b) Explain how a ledger account can be maintained? [5+5]

- 10.a) Differentiate between the cash flow analysis and funds flow analysis.  
 b) Describe the various types of profitability ratios. [5+5]

OR

- 11.a) Elucidate the types of turnover ratios.

- b) Calculate:  
 i) Debt equity ratio  
 ii) Liquidity ratio

	Rs.		Rs.
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		

[5+5]

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