

R16

Code No: 134AG

JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD

B.Tech II Year II Semester Examinations, May - 2019

**BUSINESS ECONOMICS AND FINANCIAL ANALYSIS**

(Common to CE, EEE, ME, ECE, CSE, EIE, IT, MCT, ETM, 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. Give brief answers to the following:
- |   |     |
|---|-----|
| a) Non- conventional sources of Finance         | [2] |
| b) Business cycle and its phases                | [3] |
| c) Characteristics of a good demand forecasting | [2] |
| d) Supply function                              | [3] |
| e) Types of Pricing                             | [2] |
| f) Returns to scale                             | [3] |
| g) Accounting Equation                          | [2] |
| h) Trial Balance                                | [3] |
| i) Current Ratio                                | [2] |
| j) Working Capital and its components.          | [3] |

**PART-B**

(50 Marks)

- 2.a) Explain different sources of capital needed for a Joint Stock Company. [5+5]  
b) Explain different kinds of Business Entities. [5+5]
- OR**
- 3.a) Discuss the nature and scope of Business Economics. [5+5]  
b) Define the term 'Inflation' and explain its impact on the economics. [5+5]
4. What is 'Elasticity of Demand'? Explain the broad classification of Elasticity of Demand. [10]
- OR**
5. Explain different methods of demand forecasting. [10]
6. Explain Law of Diminishing Returns. How are they helpful in managerial decisions? [10]
- OR**
- 7.a) Explain the features of a perfect competitive market. [5+5]  
b) Explain the concept of pricing based on Product Life Cycle. [5+5]

8.a) What is "Accounting"? Explain Double entry system of Book- Keeping

b) Journalise the following transactions:

Jan 1,2018	Commenced with Cash	Rs. 10,00,000
Jan 3,2018	Purchased Goods worth	Rs.2,00,000
Jan 8,2018	Sold goods to Mr.Raghu	Rs.1,00,000
Jan 30,2018	Salaries Paid	Rs. 20,000
Jan 30,2018	Rent Paid	Rs. 10,000

OR

9. Explain any four accounting Concepts. [10]

10. Explain the procedure for preparing "statement showing changes in working capital" with Imaginary figures. [10]

OR

11. Following is the Profit and Loss Account of the year ended 31st December, 2017

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To Opening stock	1,00,000	By Sells	5,60,000
To Purchases	3,50,000	By closing Stock	1,00,000
To Wages	9,000		
To Gross Profit c/d	2,01,000		
	6,60,000		6,60,000
To Administrative Expenses	20,000	By Gross Profit b/d	2,01,000
To Selling and distribution expenses	89,000	By Interest on investments	10,000
To Non-operating Expenses	30,000	By Profit on sale of	8,000
To Net Profit	80,000	Investment	
	2,19,000		2,19,000

You are required to calculate

- Gross Profit Ratio
- Net Profit Ratio
- Operating Ratio
- Operating Profit Ratio.

[10]

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