

**R16**

**Code No: 134AG**

**JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD**

**B.Tech II Year II Semester Examinations, April - 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. Give a brief description to the following:
  - a) Theory of firm [2]
  - b) Micro and Macro Economics. [3]
  - c) Law of Demand [2]
  - d) Supply Function [3]
  - e) Production Function [2]
  - f) Features of Monopoly [3]
  - g) Journal [2]
  - h) Double entry system of Book-keeping. [3]
  - i) Solvency Ratios [2]
  - j) Funds from Operations. [3]

**PART-B**

**(50 Marks)**

2. What is "Joint Stock Company"? Discuss the sources of capital required by a Joint stock company. [10]
- OR**
3. What is a 'Business Cycle'? Discuss the Phases of Business Cycle and list out the measures to be taken for protecting the interests of the business. [10]
  4. Discuss about different types of Elasticity of demand. [10]
- OR**
- 5.a) Explain in detail, the Law of Supply.
  - b) How is Law of supply helpful in decision making? [5+5]
  - 6.a) Explain the concept Returns to Scale.
  - b) Explain Short run and long run cost functions. [5+5]
- OR**
- 7.a) Explain the Features of Monopolistic competition.
  - b) Explain the concept of cost-volume-profit analysis. [5+5]

8. What are accounting concepts? Discuss any three accounting concepts in detail. [10]

**OR**

9. From the following Trial Balance prepare Trading, profit and loss A/c for the year ended 31-03-2017 and Balance sheet as on that date [10]

Debit Balances	Rs.	Credit Balances	Rs.
Sundry Debtors	52,000	Sundry creditors	22,000
Cash in hand	1,592	Sales	2,92,000
Motor Car	22,000	Capital	70,000
Furniture	3,500		
Purchases	1,95,000		
Sales Returns	2,600		
Patents	8,420		
Opening Stock	7,000		
Motor Car expenses	11,400		
Rent, Rates and Taxes	6,108		
Insurance Premium	2,400		
Machinery	24,000		
Wages	23,600		
General Expenses	2,680		
Carriages Inwards	2,040		
Carriages Outwards	1,130		
Discount	500		
Fuel	6,430		
Drawings	8,000		
	3,84,000		3,84,000

Closing stock: Rs.35,000

10. Explain the importance of Ratio analysis as a technique for analyzing Financial Statements. [10]

**OR**

11. From the following Balance Sheets of Mr.Praveen Prepare a Schedule of changes in working capital and a funds flow statement. [10]

Liabilities	2016	2017	Assets	2016	2017
	Rs	Rs.		Rs.	Rs.
Capital	63,000	1,00,000	Cash	15,000	20,000
Borrowings	50,000	60,000	Debtors	30,000	28,000
Trade Creditors	42,000	39,000	Stock-in-trade	55,000	72,000
Bank Overdraft	35,000	25,000	Land and Buildings	80,000	1,00,000
Out Standing Expenses	5,000	6,000	furniture	15,000	10,000
	1,95,000	2,30,000		1,95,000	2,30,000