MARRI LAXMAN REDDY
INSTITUTE OF TECHNOLOGY AND MANAGEMENT
(AN AUTONOMOUS INSTITUTION)
(Approved by AICTE, New Delhi & Affiliated to JNTUH, Hyderabad)
Accredited by NBA and NAAC with 'A' Grade & Recognized Under Section2(f) & 12(B)of the UGC act,1956

III B.Tech I Sem Regular End Examination, January 2022
Business Economics and Financial Analysis
(EEE, ECE & MECH)

Time: 3 Hours.   Max. Marks: 70

Note: 1. Question paper consists: Part-A and Part-B.
2. In Part – A, answer all questions which carries 20 marks.
3. In Part – B, answer any one question from each unit.
   Each question carries 10 marks and may have a, b as sub questions.

PART- A
(10*2 Marks = 20 Marks)

1.	a)	Define Business Economics?	2M	CO1	BL2
	b)	Write a short note on Macro Economics	2M	CO1	BL2
	c)	Define Demand	2M	CO2	BL2
	d)	What is cross elasticity of demand?	2M	CO2	BL2
	e)	What is Cost-Volume-Profit (CVP) analysis?	2M	CO3	BL2
	f)	Describe Cobb-Douglas production function	2M	CO3	BL3
	g)	List out different types of shares?	2M	CO4	BL2
	h)	What is the importance of capital for an industry?	2M	CO4	BL2
	i)	Define and explain the importance of Inventory Turnover Ratio.	2M	CO5	BL2
	j)	Define ratio analysis	2M	CO5	BL2

PART- B
(10*5 Marks = 50 Marks)

2	a)	What is national income and explain components and methods of measuring national income?	5M	CO1	BL2
	b)	Define inflation. Explain different categories of inflation and state the causes of inflation?	5M	CO1	BL2
		OR			
3		Explain business cycle? Elaborate different phases of business cycle and list out measures to be taken for protecting the interests of business?	10M	CO1	BL2
4	a)	Define Law of Demand? State the assumptions of Law of Demand?	5M	CO2	BL3
	b)	Illustrate graphically different types of price elasticity of demand?	5M	CO2	BL3
		OR			
5		List out different methods of demand forecasting. Explain how trend can be used to forecast the demand.	10M	CO2	BL2

6	a)	Explain the features of isoquants and isocost graphs.	5M	CO3	BL2
	b)	Write the law of returns with appropriate examples?	5M	CO3	BL4

<div align="center">OR</div>

7	a)	What are the features of perfect competition?	5M	CO3	BL3
	b)	List out various strategic pricing methods and describe any two of them.	5M	CO3	BL3

8	a)	What do you mean by financial analysis? Explain the concepts and conventions.	5M	CO4	BL2
	b)	What is double entry book keeping system? Describe the advantages and disadvantages?	5M	CO4	BL5

<div align="center">OR</div>

9	From the following extract of trial balance sheets from the books of Mr. Rahul, for the year ending December 2020 prepare a trading account		10M	CO4	BL3

S.NO	Particulars	Rupees	Rupees
01	Sales	2,40,000/-	3,25,000/-
02	Purchases	2,40,000/-	
03	Freight	5,000/-	
04	Sales returns	5,000/-	
05	Purchase returns		5,600/-
06	wages	40,000/-	
07	Salaries	20,000/-	
08	Carriage inwards	10,000/-	
09	Opening Stock(1-1-2020)	25,000/-	

10	a)	Explain different types of capital structure ratios?	5M	CO5	BL2
	b)	What are the advantages of leverage ratio? Explain in detail?	5M	CO4	BL2

<div align="center">OR</div>

11	From the following Balance Sheets of Mr.Praveen Prepare a Schedule of changes in working capital and a funds flow statement						10M	CO5	BL4

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 Overdrafts	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

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BL: Blooms Taxonomy Levels

Note: 1. Font style: Cambria.

  2. Bloom's Taxonomy Level (BL) have to mention for each question.

  For reference, find the attachment in the mail.