



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 Section 2(f) & 12(B) of the UGC act, 1956

III B.Tech I Sem Supply End Examination, July 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)

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|-------|--|----|-----|-----|
| 1. a) | Write short notes on Micro economics? | 2M | C01 | BL1 |
| b) | State the Normative statement business economics? | 2M | C01 | BL1 |
| c) | Write a short note on consumer surplus. | 2M | C02 | BL1 |
| d) | What are explicit cost and implicit cost? | 2M | C02 | BL1 |
| e) | Write a note on opportunity cost? | 2M | C03 | BL1 |
| f) | Write difference between Explicit and Implicit cost? | 2M | C03 | BL1 |
| g) | What is unlimited Liability? | 2M | C04 | BL1 |
| h) | Explain Debt factoring? | 2M | C04 | BL4 |
| i) | Write a note on Profitability Index? | 2M | C05 | BL1 |
| j) | Explain the meaning of payback period? | 2M | C05 | BL4 |

PART- B

(10*5 Marks = 50 Marks)

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|---|----|---|----|-----|-----|
| 2 | a) | Define business economics? Explain its nature and scope of business economics? | 5M | C01 | BL2 |
| | b) | Briefly explain how business economics has its roots in economics and management? | 5M | C01 | BL4 |

OR

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|---|----|--|-----|-----|-----|
| 3 | | Discuss in detail about multidisciplinary roles of business economist? | 10M | C01 | BL2 |
| 4 | a) | Identify the factors influencing elasticity of demand? | 5M | C02 | BL4 |
| | b) | Explain the methods of cross elasticity of demand? | 5M | C02 | BL4 |

OR

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|---|--|--|-----|-----|-----|
| 5 | | Define demand forecasting? List out different methods of demand forecasting? Compare their merits. | 10M | C02 | BL2 |
|---|--|--|-----|-----|-----|

- 6 a) Illustrate break even analysis with the help of break even chart? 5M C03 BL3
 b) State the limitations of break even chart? 5M C03 BL1

OR

- 7 Describe various pricing policies used in industry and business? Give some current examples also. 10M C03 BL2

- 8 a) Define account. Illustrate different types and principles of accounts with examples. 5M C04 BL1
 b) What is profit and loss account in accounting system? Explain and give its format? 5M C04 BL4

OR

- 9 Explain in detail about the uses of financial users and state the purpose of financial statement and analyze. 10M C04 BL4

- 10 a) Calculate net profit ratio if net sales are 500 for a firm and cost of goods sold is Rs 20,000/-The details of expenses are given below.
 Administrative expenses Rs. 3,000/-
 Selling and distribution expenses Rs.4000/-
 Loss on sale of fixed asset Rs.3000/-
 Interest on Investment Rs.2,000/-
 Taxes @ 20%

- b) What is profitability ratio? State the formula for profitability ratio? 5M C05 BL1

OR

- 11 Journalize the following transactions and prepare necessary ledger accounts from the Journal. 10M C05 BL6

- 1) Jan 2018: started business with capital 1,50,000.00
- 2) Jan 2018: purchased good from Suresh 10,000.00
- 3) Jan 2018: sold goods to Radha 30,000.00
- 4) Jan 2018: goods withdrawn for personal use 3,000.00
- 5) Jan 2018: goods given as charity 300.00
- 6) Jan 2018: bad debts 500.00
- 7) Jan 2018: goods returned to Suresh 1,000.00
- 8) Jan 2018: goods returned by Radha 500.00
- 9) Jan 2018: purchased goods 10,000.00
- 10) Jan 2018: sold goods 2,00,000.00

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