



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

II B.Tech I Sem Supply End Examination, July 2022

Business Economics and Financial Analysis

(CSE, CSI, IT)

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) | Define micro and macro economics? | 2M | C01 | BL-1 |
| b) | What are non conventional sources of finance? | 2M | C01 | BL-1 |
| c) | What is inelastic demand? | 2M | C02 | BL-2 |
| d) | Define demand forecasting. | 2M | C02 | BL-2 |
| e) | Define oligopoly and oligopsony. | 2M | C03 | BL-2 |
| f) | What do you mean by differential costs? | 2M | C03 | BL-2 |
| g) | What is double entry system of book keeping? | 2M | C04 | BL-2 |
| h) | Distinguish between fixed assets and current assets? | 2M | C04 | BL-2 |
| i) | What is gross profit ratio? | 2M | C05 | BL-1 |
| j) | What do you mean by earning per share? Give its formula. | 2M | C05 | BL-2 |

PART- B

(10*5 Marks = 50 Marks)

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|---|----|---|----|-----|------|
| 2 | a) | Explain different kinds of business entities. | 5M | C01 | BL-2 |
| | b) | Discuss the nature and scope of business economics. | 5M | C01 | BL-2 |

OR

- | | | | | | |
|---|--|--|-----|-----|------|
| 3 | | Explain what is national income and its components and give their percentage share in total national income. | 10M | C01 | BL-2 |
|---|--|--|-----|-----|------|

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|---|----|--|----|-----|------|
| 4 | a) | Explicate different types of elasticity of demand. | 5M | C02 | BL-2 |
| | b) | Describe any two methods of forecasting demand. Give an example for each method. | 5M | C02 | BL-2 |

OR

- | | | | | | |
|---|--|--|-----|-----|------|
| 5 | | Define price elasticity of demand and illustrate various degrees of price elasticity graphically | 10M | C02 | BL-3 |
|---|--|--|-----|-----|------|

6 What is PLC? Explain different pricing strategies adopted in PLC at various stages? 5M C03 BL-2

OR

7 Illustrate BEP analysis with the help of a Break even chart. How is it helpful for managerial decision? 10M C03 BL-3

8 a) What are accounting concepts? Discuss any three accounting concepts. 5M C04 BL-3

b) Outline the pros and cons of double entry system of accounting? 5M C04 BL-3

OR

9 From the following balance sheets of Mr. Rahul Prepare a schedule of changes in working capital and funds flow statement

Liabilities	2016 (Rs.)	2017 (Rs.)	Assists	2016 (Rs.)	2017 (Rs.)
Capital	63,000.00	1,00,000.00	Cash	15,000.00	20,000.00
Borrowings	50,000.00	60,000.00	Debtors	30,000.00	28,000.00
Trade creditors	42,000.00	39,000.00	Stock in trade	55,000.00	72,000.00
Bank overdraft	35,000.00	25,000.00	Land & buildings	80,000.00	1,00,000.00
Outstanding Expenses	5,000.00	6,000.00	Furniture	15,000.00	10,000.00
	1,95,000.00	2,30,000.00		1,95,000.00	2,30,000.00

10M C04 BL-4

10 a) Explain the types of turnover ratios. 5M C05 BL-2

b) What are capital structure ratios? Explain 5M C05 BL-2

OR

11 Calculate a) debt equity ratio b) liquidity ratios from the following data.

Stock -30,000

Debtors-40,000

Sales-5,60,000

Reserves-50,000

Good will-60,000

Equity capital-1,00,000

Secured loan-1,00,000

Land and buildings-1,40,000

10M C05 BL