



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 Regular End Examination, December 2022

Business Economics and Financial Analysis

(CE/EEE/ECE)

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) | Differentiate between micro and macro economics. | 2M | C01 | BL2 |
| b) | What do you mean by Limited Liability Company? | 2M | C01 | BL1 |
| c) | Write the significance of Elasticity of Demand. | 2M | C02 | BL1 |
| d) | Define demand. | 2M | C02 | BL1 |
| e) | Distinguish between Explicit cost and implicit cost. | 2M | C03 | BL2 |
| f) | What is Oligopoly market? | 2M | C03 | BL1 |
| g) | What is meant by current ratio? Write the formula. | 2M | C04 | BL1 |
| h) | Compare ARR and NPV methods. | 2M | C04 | BL2 |
| i) | Define trial balance. | 2M | C05 | BL1 |
| j) | Why do we prepare trading account? | 2M | C05 | BL1 |

PART- B

(10*5 Marks = 50 Marks)

- | | | | | |
|------|--|----|-----|-----|
| 2 a) | Explain the Structure of Business Firm. | 5M | C01 | BL2 |
| b) | Discuss the Role of Business Economist in decision making. | 5M | C01 | BL2 |

OR

- | | | | | |
|------|--|----|-----|-----|
| 3 a) | Write the Significance of Economics in business. | 5M | C01 | BL2 |
| b) | Briefly explain the different phases of business cycles. | 5M | C01 | BL2 |

- | | | | | |
|---|--|-----|-----|-----|
| 4 | Define elasticity of demand. Explain its types and significance. | 10M | C02 | BL2 |
|---|--|-----|-----|-----|

OR

- | | | | | |
|------|---|----|-----|-----|
| 5 a) | What are the factors affecting elasticity of demand? Explain. | 5M | C02 | BL2 |
| b) | Explain the steps in scientific approach to demand forecasting. | 5M | C02 | BL2 |

- 6 a) Define production function. Explain the Cobb-Douglas production function. 5M C03 BL2
b) What are the main features of Monopoly? How does it differ from perfect competition? 5M C03 BL2

OR

- 7 A manufacturer sells his product at Rs. 5 each. Variable costs are Rs.2 per unit and the fixed costs amount to Rs. 60,000. 10M C03 BL3
i. Calculate the break-even point.
ii. What would be the profit if the firm sells 30,000 units?
iii. What would be the BEP if the firm spends Rs.3,000 on advertising?
iv. How much should be the manufacturer sell to make a profit of Rs.30,000 after spending Rs.3,000 for advertisement?

- 8 What is the importance of Capital Budgeting? Explain the basic steps involved in evaluating Capital Budgeting proposals. 10M C04 BL2

OR

- 9 Explain the significance and utility of ratio analysis in financial decision making. 10M C04 BL2

- 10 Define accounting concepts and conventions, explain briefly. 10M C05 BL2

OR

- 11 a) Explain the main objectives of Accounting and its important functions. 5M C05 BL2
b) What is a 'Ledger'? Explain its types and the main advantages of Ledger. 5M C05 BL2

---oo0oo---

CO - Course Outcome

BL - Blooms Taxonomy Levels