R22 Regulation *Subject code: 4H3FA*

TKR COLLEGE OF ENGINEERING AND TECHNOLOGY

(Autonomous, Accredited by NAAC with 'A+' Grade)

B.Tech. III Semester Supplementary Examinations, June 2026

BUSINESS ECONOMICS AND FINANCIAL ANALYSIS

(IT)

Maximum Marks: 60 Date:11.06.2026 Duration: 3 hours

Note: **1.This question paper contains two parts A and B.**
2. Part A is compulsory which carries 10 marks. Answer all questions in Part A.
3. Part B consists of 5 Units. Answer any one full question from each unit.
4. Each question carries 10 marks and may have a, b, c, d as sub questions.

Part-A

All the following questions carry equal marks (10X1M=10 Marks)		Marks	CO	Bloom Tx
1.a)	What is inflation?	1	1	L1
b)	What is share capital?	1	1	L1
c)	What is qualitative forecasting?	1	2	L1
d)	What is the first step in demand forecasting?	1	2	L1
e)	What is competitive pricing?	1	3	L1
f)	What is monopoly?	1	3	L1
g)	What is narration in journal entries?	1	4	L1
h)	What is the convention of conservatism?	1	4	L1
i)	Who are proprietors in accounting?	1	5	L1
j)	Define interest coverage ratio.	1	5	L1

Part-B

Answer All the following questions. (5X10M=50Marks)		Marks	CO	Bloom Tx
2	A) Discuss the importance of national income to a country. B) Explain various types of business entities with examples.	5M 5M	1	L2 L2
	OR			
3	A) Explain the different sources of capital available for a company. B) Explain the concept of business cycle and its features.	5M 5M	1	L5 L2
4	A) Explain the methods of measuring elasticity of demand. B) Determine the factors affecting elasticity of demand.	5M 5M	2	L2 L2
	OR			
5	A) Explain the law of demand with a diagram. B) Discuss the different types of elasticity of demand.	5M 5M	2	L2 L2
6	A) Explain the production function with an example. B) Explain break-even analysis and its significance.	5M 5M	3	L2 L2
	OR			

<table>
<tr><td>7</td><td>A) Explain different types of pricing strategies.
B) Distinguish between perfect competition and monopoly.</td><td>5M
5M</td><td>3</td><td>L2
L4</td></tr>
<tr><td>8</td><td>A) Explain the importance of financial statements for business.
B) Explain the need and purpose of preparing final accounts.</td><td>5M
5M</td><td>4</td><td>L2
L2</td></tr>
<tr><td></td><td colspan="4">OR</td></tr>
<tr><td>9</td><td>Prepare Trading, Profit & Loss Account and a Balance Sheet Statement with the help of Trial Balance of M/s Rama Stores as on 31st March 2024

<table><tr><th>Particulars</th><th>Dr (₹)</th><th>Cr (₹)</th></tr><tr><td>Capital</td><td>—</td><td>25,000</td></tr><tr><td>Drawings</td><td>6,000</td><td>—</td></tr><tr><td>Purchases</td><td>40,000</td><td>—</td></tr><tr><td>Sales</td><td>—</td><td>70,000</td></tr><tr><td>Returns Inwards</td><td>1,000</td><td>—</td></tr><tr><td>Returns Outwards</td><td>—</td><td>800</td></tr><tr><td>Opening Stock</td><td>10,000</td><td>—</td></tr><tr><td>Carriage Inwards</td><td>2,000</td><td>—</td></tr><tr><td>Salaries</td><td>8,000</td><td>—</td></tr><tr><td>Rent</td><td>6,000</td><td>—</td></tr><tr><td>Furniture</td><td>15,000</td><td>—</td></tr><tr><td>Debtors</td><td>12,000</td><td>—</td></tr><tr><td>Creditors</td><td>—</td><td>8,000</td></tr><tr><td>Cash in Hand</td><td>3,800</td><td>—</td></tr><tr><td>Total</td><td>1,03,800</td><td>1,03,800</td></tr></table>
Adjustments:
Closing Stock valued at ₹15,000.
Outstanding Salaries ₹1,000.</td><td>10M</td><td>4</td><td>L3</td></tr>
<tr><td>10</td><td>A) Explain the concept and importance of ratio analysis.
B) Discuss the advantages and limitations of ratio analysis.</td><td>5M
5M</td><td>5</td><td>L2
L2</td></tr>
<tr><td></td><td colspan="4">OR</td></tr>
<tr><td>11</td><td>From the following information of M/s. City Traders, calculate:
1. Current Ratio
2. Debt Ratio
3. Net Profit Ratio
Information:
<table><tr><th>Particulars</th><th>Amount (₹)</th></tr><tr><td>Current Assets</td><td>60,000</td></tr><tr><td>Current Liabilities</td><td>30,000</td></tr><tr><td>Total Liabilities</td><td>1,20,000</td></tr><tr><td>Total Assets</td><td>2,00,000</td></tr><tr><td>Net Profit</td><td>20,000</td></tr><tr><td>Sales</td><td>1,00,000</td></tr></table></td><td>10M</td><td>5</td><td>L3</td></tr>
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