



B.Tech II Year II Semester Supplementary Examinations, July 2021

BUSINESS ECONOMICS AND FINANCIAL ANALYSIS
(Common to CE,EEE,ME,ECE,CSE & IT)

Maximum Marks: 70

Date:23.07.2021 Duration: 3 hours

- Note:**
1. This question paper contains two parts A and B.
 2. Part A is compulsory which carries 20 marks. Answer all questions in Part A.
 3. Part B consists of 5 Units. Answer any one full question from each unit which carries 10M.
 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 (10x2M=20 Marks)

- 1 Define Inflation?
- 2 Outline the importance of national income
- 3 What are the determinants of Demand?
- 4 State about the determinants of supply?
- 5 Define Cobb-Douglas Production Function?
- 6 What are the features of perfect competition
- 7 Define Accounting equation?
- 8 What is meant by accounting cycle? Explain.
- 9 State about liquidity ratios?
- 10 Define solvency ratio.

Part-B

Answer All the following questions. (5X10M=50Marks)

- 11 What is "Joint Stock Company"? Discuss the sources of capital required by a Joint stock company. [10]

OR

- 12 What is a "Business Cycle"? Discuss the Phases of Business Cycle and list out the measures to be taken for protecting the interests of the business. [10]

- 13 Discuss about different types of Elasticity of demand. [10]

OR

- 14 a) Explain in detail, the Law of Supply.
b) How is Law of supply helpful in decision making? [5+5]

- 15 a) Explain the concept Returns to Scale.
b) What is monopoly? Explain its features. [5+5]

OR

- 16 Explain the Long Run and Short Run Cost Functions. [10]

17 Explain the rules for maintaining books of accounts.[10]

OR

18 a) Outline the pros and cons of double entry system of accounting.

b) Explain the concepts of Accounting. [5+5]

19 From the following Balance Sheets of Mr.Praveen Prepare a Schedule of changes in working capital and a funds flow statement. [10]

Liabilities	2016	2017	Assets	2016	2017
Capital	63,000Rs	1,00,000Rs	Cash	15,000Rs	20,000Rs
Borrowings	50,000Rs	60,000Rs	Debtors	30,000Rs	28,000Rs
Trade Creditors	42,000Rs	39,000Rs	Stock-in-trade	55,000 Rs	72,000Rs
Bank Overdraft	35,000Rs	25,000Rs	Land Buildings	80,000Rs	1,00,000Rs
Out Standing Expenses	5,000Rs	6,000Rs	furniture	15,000Rs	10,000Rs
	1,95,000Rs	2,30,000Rs		1,95,000Rs	2,30,000Rs

OR

20 a) Differentiate between the cash flow analysis and funds flow analysis.

b) Describe the various types of profitability ratios. [5+5]