*R20 Regulation* *Subject code: 3H3EA*

# TKR COLLEGE OF ENGINEERING AND TECHNOLOGY

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

## B.Tech III Semester Supplementary Examinations, February 2024

## BUSINESS ECONOMICS AND FINANCIAL ANALYSIS

*(Common to CSE,CSE(AI&ML) & IT)*

***Maximum Marks: 70*** Date:16.02.2024 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.**
**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) | CO | Bloom Tx |
|---|---|---|---|
| 1 | What are the sources of income. | CO1 | L1 |
| 2 | Outline the features of Business cycle. | CO1 | L2 |
| 3 | Distinguish between Income elasticity of demand and Cross elasticity of demand. | CO2 | L4 |
| 4 | Explain the various determinants of demand. | CO2 | L2 |
| 5 | Explain the concept of Production Function. | CO3 | L2 |
| 6 | Infer the features of Perfect Competition. | CO3 | L2 |
| 7 | Explain the objectives of GST. | CO4 | L2 |
| 8 | Infer the principle of recording Real account. | CO4 | L2 |
| 9 | Explain the limitations of Ratio analysis. | CO5 | L2 |
| 10 | Explain the significance of Ratio analysis. | CO5 | L2 |

Part-B

| Answer All the following questions. | (5X10M=50Marks) | | | |
|---|---|---|---|---|
| 11 | (a) Define National Income. Explain the importance of National Income.<br>(b) Explain limited liability companies. | 5M<br>5M | CO1 | L2<br>L2 |
| | OR | | | |
| 12 | (a) Define the nature of Business Economics.<br>(b) Explain different sources of capital for Business. | 5M<br>5M | CO1 | L2<br>L2 |
| 13 | (a) Explain steps involved in demand forecasting.<br>(b)Infer the significance of elasticity of demand. | 5M<br>5M | CO2 | L2<br>L2 |
| | OR | | | |
| 14 | (a) Summarize the factors affecting the elasticity of demand.<br>(b) List out the statistical methods of demand forecasting. | 5M<br>5M | CO2 | L2<br>L4 |

| | | | | |
|---|---|---|---|---|
| 15 | (a) Explain fully the concept of breakeven analysis.<br>(b) Distinguish between perfect competition and monopoly. | 5M<br>5M | CO3 | L2<br>L4 |
| | OR | | | |
| 16 | (a) Explain the stages in Product life cycle.<br>(b) Distinguish between Skimming pricing and Penetration pricing. | 5M<br>5M | CO3 | L2<br>L4 |
| 17 | (a) Explain the various concepts of Accounting<br>(b) What are the benefits of Accounting Standards in India? | 5M<br>5M | CO4 | L2<br>L1 |
| | OR | | | |
| 18 | (a) Explain the advantages and disadvantages of Financial Accounting?<br>(b) Solve the Trial Balance from the following. | 5M<br>5M | CO4 | L2<br>L3 |

| | | | |
|---|---|---|---|
| Ram Capital | 7000 | Sundry debtors | 5600 |
| Purchases | 8000 | Furniture | 500 |
| Rent paid | 240 | Salaries | 720 |
| Ram drawings | 400 | Creditors | 5600 |
| Bills receivable | 12000 | Carriage | 100 |
| Opening stock | 1000 | Insurance | 40 |
| Purchases return | 280 | Cash in hand | 100 |
| Sales return | 160 | Cash at bank | 1950 |
| Machinery and plant | 4000 | Commission paid | 40 |
| Sales | 9600 | Bills payable | 1580 |
| Discount allowed | 40 | Discount received | 30 |

| | | | | |
|---|---|---|---|---|
| 19 | (a) Solve the Stock turnover ratio from the following information:<br>Opening Stock – 29000<br>Closing Stock – 31000<br>Sales – 3,20,000<br>Gross Profit – 25%<br>(b)Explain Liquidity Ratio's. | 5M<br>5M | CO5 | L3<br>L2 |
| | OR | | | |
| 20 | (a) Explain the role of Ratio Analysis in the interpretation of Financial Statements.<br>(b) Explain the liquidity ratio in detail | 5M<br>5M | CO5 | L2<br>L2 |