R22 Regulation *Subject code: 4H3FA*

TKR COLLEGE OF ENGINEERING AND TECHNOLOGY

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

B.Tech III Semester Regular Examinations, February 2024

BUSINESS ECONOMICS AND FINANCIAL ANALYSIS

(Information Technology)

Maximum Marks: 60 Date:19.02.2024 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		CO	Bloom Tx
All the following questions carry equal marks (10x1M=10 Marks)			
1.a)	Interpret the characteristics of business.	C01	L2
b)	Distinguish between micro and macroeconomic concepts.	C01	L4
c)	Illustrate two factors that determine the demand for product.	C02	L2
d)	Explain law of demand with suitable graph.	C02	L2
e)	Explain any two features of Oligopoly.	C03	L2
f)	Explain in which market price discrimination is exercised.	C03	L2
g)	Outline the rule for nominal account.	C04	L4
h)	Simplify three types of accounts.	C04	L4
i)	Define the term Ratio.	C05	L1
j)	Determine the benefits of calculating profitability ratios.	C05	L5

Part-B			
Answer All the following questions. (5X10M=50Marks)			Bloom Tx level
2	a. Explain the nature and scope of Business economics. [5] b. Outline the features of a joint stock company. [5]	C01	L2 L2
	OR		
3	a. Distinguish between micro and macro economics. [5] b. Infer the components of National Income. [5]	C01	L4 L2
4	a. Discuss any three demand forecasting techniques. [5] b. Summarize in detail the exceptions to law of demand. [5]	C02	L4 L2
	OR		
5	a. Illustrate the methods of measurement of elasticity of demand. [5] b. Explain the significance of elasticity of demand in decision making. [5]	C02	L3 L4
6	a. Distinguish between perfect and imperfect competition. [5] b. Explain the stages of product life cycle. [5]	C03	L4 L2
	OR		
7	a. Define breakeven analysis, explain its significance. [5] b. Summarize the advantages and disadvantages of internal economies. [5]	C03	L2 L2

8	a. Solve the following Trial Balance and additional information, you are required to prepare profit and loss account and balance sheet. [5]	C04	L3

TRIAL BALANCE as on 31st December, 2008

	Debit balance	Credit balance
Capital		20000
Debtors	5400	
Drawings	1800	
Machinery	7000	
Creditors		2800
Wages	10000	
Purchases	19000	
Opening stock	4000	
Bank balance	3000	
Carriage charges	300	
Salaries	400	
Rent and taxes	900	
Sales		29000
	51,800	51,800

Additional Information:
(i) Closing Stock Rs. 1,200. (ii) Outstanding Rent and Taxes Rs. 100.
(iii) Charge depreciation on machinery at 10%. (iv) Wages prepaid Rs. 400.

	b. Examine the elements of financial statements. [5]		L4
	OR		
9	Explain the rules for three types of accounts with examples. [10]	C04	L2
10	a. Explain the significance and utility of ratio analysis in financial decision making. [5] b. Following is the balance sheet of Paramesh books as on 26.07.2009: [5] Calculate: (a) Debt equity ratio (b) Quick Ratio.	C05	L2 L3

liabilities	Rs	Assets	Rs
Share capital	320000	Buildings	300000
9% debenture	120000	Machinery	60000
Current liabilities	304000	Debtors	328000
P and L account	48000	Stock	176000
Reserves	100000	Bank	28000
	892000		892000

	OR		
11	a. Distinguish between Liquidity ratio and Profitability ratio. [5] b. What do you mean by Ratio Analysis? What is its importance? [5]	C05	L4 L1