



R22 Regulation

Subject code:4H3FA

# TKR COLLEGE OF ENGINEERING AND TECHNOLOGY

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

**B.Tech. III Semester Regular/Supplementary Examinations, December 2025**

## BUSINESS ECONOMICS AND FINANCIAL ANALYSIS

(IT)

Maximum Marks: 60

Date: 30.12.2025

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	BTL
1.a)	Name the four phases of a business cycle.		1M	1	L1
b)	Define limited liability.		1M	1	L1
c)	What is cross elasticity of demand?		1M	2	L1
d)	What is demand forecasting?		1M	2	L1
e)	What is marginal cost?		1M	3	L1
f)	What is skimming pricing?		1M	3	L1
g)	What is an income statement?		1M	4	L1
h)	What are assets?		1M	4	L1
i)	Give one example of a solvency ratio.		1M	5	L1
j)	State one limitation of liquidity ratios.		1M	5	L1

### Part-B

Answer All the following questions.		(5X10M=50Marks)	Marks	CO	BTL
2	a) Discuss the advantages and disadvantages of forming an LLC.		5M	1	L3
	b) Explain the nature and scope of business economics.		5M		L2
OR					
3	a) Compare Sole Proprietorship and Partnership form of business.		5M	1	L4
	b) Illustrate the role of a business economist in an organization.		5M		L2
4	a) Discuss the importance of demand forecasting in business planning.		5M	2	L3
	b) Explain the concept of perfectly elastic and perfectly inelastic demand.		5M		L2
OR					
5	a) Explain the significance of elasticity of demand in decision-making.		5M	2	L2
	b) Explain different types of pricing methods.		5M		L1

6	a) Distinguish between internal and external economies of scale. b) Explain the different types of costs in economics.	5M 5M	3	L4 L2																																																
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7	a) Discuss the product life cycle and pricing decisions at each stage. b) Determine the characteristics of a monopoly market.	5M 5M	3	L6 L5																																																
8	a) Explain the double-entry system and its advantages. b) Explain any five accounting concepts with examples.	5M 5M	4	L2 L2																																																
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9	From the following trial balance of M/s Green Traders, prepare Trading and Profit and Loss Account for the year ended 31st March 2022 and a Balance Sheet as on that date :	10M	4	L5																																																
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Particulars</th> <th style="text-align: right;">Dr (₹)</th> <th style="text-align: right;">Cr (₹)</th> </tr> </thead> <tbody> <tr> <td>Opening Stock</td> <td style="text-align: right;">20,000</td> <td style="text-align: center;">—</td> </tr> <tr> <td>Purchases</td> <td style="text-align: right;">90,000</td> <td style="text-align: center;">—</td> </tr> <tr> <td>Returns Inward (Sales Returns)</td> <td style="text-align: right;">2,000</td> <td style="text-align: center;">—</td> </tr> <tr> <td>Carriage Inwards</td> <td style="text-align: right;">3,000</td> <td style="text-align: center;">—</td> </tr> <tr> <td>Sales</td> <td style="text-align: center;">—</td> <td style="text-align: right;">1,30,000</td> </tr> <tr> <td>Cash in Hand</td> <td style="text-align: right;">10,000</td> <td style="text-align: center;">—</td> </tr> <tr> <td>Plant &amp; Machinery</td> <td style="text-align: right;">63,000</td> <td style="text-align: center;">—</td> </tr> <tr> <td>Debtors</td> <td style="text-align: right;">40,000</td> <td style="text-align: center;">—</td> </tr> <tr> <td>Capital</td> <td style="text-align: center;">—</td> <td style="text-align: right;">1,52,000</td> </tr> <tr> <td>Drawings</td> <td style="text-align: right;">4,000</td> <td style="text-align: center;">—</td> </tr> <tr> <td>Creditors</td> <td style="text-align: center;">—</td> <td style="text-align: right;">20,000</td> </tr> <tr> <td>Salaries</td> <td style="text-align: right;">12,000</td> <td style="text-align: center;">—</td> </tr> <tr> <td>Rent paid</td> <td style="text-align: right;">8,000</td> <td style="text-align: center;">—</td> </tr> <tr> <td>Furniture</td> <td style="text-align: right;">50,000</td> <td style="text-align: center;">—</td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: right;"><b>3,02,000</b></td> <td style="text-align: right;"><b>3,02,000</b></td> </tr> </tbody> </table> <p><b>Adjustments:</b>  Closing stock at 31-3-2022 : ₹25,000.  Outstanding salaries: ₹2,000.  Prepaid rent: ₹1,000  Depreciation: Furniture @ 10%; Plant &amp; Machinery @ 10%.  Provide for doubtful debts @ 5% on debtors.</p>					Particulars	Dr (₹)	Cr (₹)	Opening Stock	20,000	—	Purchases	90,000	—	Returns Inward (Sales Returns)	2,000	—	Carriage Inwards	3,000	—	Sales	—	1,30,000	Cash in Hand	10,000	—	Plant & Machinery	63,000	—	Debtors	40,000	—	Capital	—	1,52,000	Drawings	4,000	—	Creditors	—	20,000	Salaries	12,000	—	Rent paid	8,000	—	Furniture	50,000	—	<b>Total</b>	<b>3,02,000</b>	<b>3,02,000</b>
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10	a) Discuss the importance of liquidity ratios for a business. b) Write a short note on inventory turnover ratio and debtor turnover ratio.	5M 5M	5	L3 L1																																																
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11	<p>From the following information of M/s. Star Traders, calculate:            Current Ratio    2. Debt-Equity Ratio    3. Net Profit Ratio</p> <p><b>Information:</b></p> <table border="1"> <thead> <tr> <th data-bbox="258 416 730 454">Particulars</th> <th data-bbox="730 416 1206 454">Amount (₹)</th> </tr> </thead> <tbody> <tr> <td data-bbox="258 488 730 526">Cash</td> <td data-bbox="730 488 1206 526">20,000</td> </tr> <tr> <td data-bbox="258 560 730 598">Debtors</td> <td data-bbox="730 560 1206 598">40,000</td> </tr> <tr> <td data-bbox="258 631 730 669">Stock</td> <td data-bbox="730 631 1206 669">60,000</td> </tr> <tr> <td data-bbox="258 703 730 741">Creditors</td> <td data-bbox="730 703 1206 741">50,000</td> </tr> <tr> <td data-bbox="258 775 730 813">Outstanding Expenses</td> <td data-bbox="730 775 1206 813">10,000</td> </tr> <tr> <td data-bbox="258 846 730 884">Long-term Loan</td> <td data-bbox="730 846 1206 884">1,00,000</td> </tr> <tr> <td data-bbox="258 918 730 956">Capital</td> <td data-bbox="730 918 1206 956">1,50,000</td> </tr> <tr> <td data-bbox="258 990 730 1028">Sales</td> <td data-bbox="730 990 1206 1028">3,00,000</td> </tr> <tr> <td data-bbox="258 1061 730 1099">Net Profit</td> <td data-bbox="730 1061 1206 1099">30,000</td> </tr> </tbody> </table>	Particulars	Amount (₹)	Cash	20,000	Debtors	40,000	Stock	60,000	Creditors	50,000	Outstanding Expenses	10,000	Long-term Loan	1,00,000	Capital	1,50,000	Sales	3,00,000	Net Profit	30,000	10M	5	L3
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