



R18 Regulation

Subject code: 2H7DC

# TKR COLLEGE OF ENGINEERING AND TECHNOLOGY

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

## B.Tech VI Semester Supplementary Examinations, July 2022

### BUSINESS ECONOMICS AND FINANCIAL ANALYSIS

(ECE)

**Maximum Marks: 70**

Date: 06.07.2022 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 Explain briefly about Theory of firm?
- 2 Define Business cycle and its phases?
- 3 What are the Characteristics of a good demand forecasting? Explain?
- 4 Define Supply function?
- 5 Outline Types of Pricing?
- 6 What is meant by Returns to scale?
- 7 Define Accounting Equation?
- 8 Explain Trial Balance?
- 9 What are the different types of Solvency ratios? Outline them?
- 10 Define Working Capital and its components?

Part-B

Answer All the following questions.

(10MX 5=50Marks)

- 11 Define business economics. Explain its nature and scope. [10]  
OR
- 12 A. Define Elasticity of demand. List out and explain any seven determinants of Demand elasticity. [5]  
B. Define demand. Explain law of demand and its exceptions? [5]
- 13 Define and explain production function with one variable input. Write any features of production function. [10]  
OR
- 14 Define break-even analysis. Examine the significance and limitations of breakeven analysis. [10]
- 15 Define Perfect competition market. Examine the equilibrium price determination under perfect competition market. [10]  
OR
- 16 A. Define Monopoly market. Describe the price-output determination under Monopoly market. [5]  
B. Define Joint Stock Company. Illustrate the features and merits of Joint Stock Company. [5]
- 17 Define financial accounting. Explain the importance and limitations of financial accounting. [10]

- 18 Prepare Final accounts from the following information: [10]

OR

Debit Balances	Rs.	Credit Balances	Rs.
Purchases	16000	Capital	60000
trade expenses	2000	Loan	10000
Wages	14000	bills payable	8000
Printing	3000	Sales	25000
rent, rates	2000	Creditors	25000
opening stock	9000	purchases returns	1000
Debtors	30000	dividend income	4000
audit fees	500	provision for bad debts	3000
Furniture	5000	transfer fees	7000
Cash	5000		
Machinery	23000		
preliminary	12000		
Land	10000		
Salaries	7000		
insurance paid	1500		
Advertising	3000		
<b>TOTAL</b>	<b>143000</b>	<b>TOTAL</b>	<b>143000</b>

Closing stock was Rs.20,000

Wages outstanding Rs.400

Dividend Income earned but not received Rs.6,000

Depreciate machinery @5%. Furniture @10%

- 19 Explain about liquidity ratio, profitability ratio with suitable examples and also explain their importance? [10]

OR

- 20 From the following information calculate Current Ratio; Quick Ratio and Absolute Liquid Ratio: (CO5)
- Stock 60000 Sundry Creditors 20000  
Sundry Debtors 70000 Bills Payable 15000  
Cash Balances 20000 Tax Payable 18000  
Bills Receivable 30000 Outstanding Expenses 7000  
Prepaid Expenses 10000 Bank Overdraft 25000  
Land and Building 100000 Debentures 75000

[10]