



R22 Regulation

Subject code: 4H2AL

# TKR COLLEGE OF ENGINEERING AND TECHNOLOGY

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

B.Tech II Semester Regular Examinations, September 2023

## BUSINESS ECONOMICS AND FINANCIAL ANALYSIS

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

Maximum Marks: 60

Date: 14.09.2023 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)

1. a What Is The Meaning Of Micro And Macroeconomics?  
b Define Sole Trader.  
c Define Demand Forecasting  
d Give the need for demand forecasting.  
e Define production function.  
f What is GST?  
g What is accounting equation?  
h Define ledger.  
i Define operating ratio.  
j Write formula of current ratio?

### Part-B

Answer All the following questions.

(5X10M=50Marks)

- 2 A) Discuss the nature and scope of Business Economics. [5M]  
B) Explain Phases of Business Cycle. [5M]  
OR
- 3 A) What are the various sources of capital for a company? Explain. [5M]  
B) What are the Different Types Of Business Entities? [5M]
- 4 A) Explain the Law of demand with assumptions. [5M]  
B) Evaluate Survey Based Demand Forecasting Methods. [5M]  
OR
- 5 A) How do you measure the elasticity of demand? Explain. [5M]  
B) Discuss the essential characteristics of demand forecasting. [5M]
- 6 A) Explain Break-Even analysis in Detail and its importance with neat sketch. [5M]  
B) Calculate the BEP in units and rupees using the following details: Selling price per unit is Rs. 100; Variable cost per unit is Rs.60; Fixed costs is Rs.20,000; Actual sales is Rs.2,00,000. [5M]  
OR
- 7 A) Differentiate Between Perfect and Imperfect Market? [5M]  
B) Explain the concept of pricing based on competition. [5M]

- 8 From the following Trial Balance prepare Trading, profit and loss A/c for the year ended 31-03-2017 and Balance sheet as on that data [10]

Debit Balances	Rs.	Credit Balances	Rs.
Sundry Debtors	52,000	Sundry creditors	22,000
Cash in hand	1,592	Sales	2,92,000
Motor Car	22,000	Capital	70,000
Furniture	3,500		
Purchases	1,95,000		
Sales Returns	2,600		
Patents	8,420		
Opening Stock	7,000		
Motor Car expenses	11,400		
Rent, Rates and Taxes	6,108		
Insurance Premium	2,400		
Machinery	24,000		
Wages	23,600		
General Expenses	2,680		
Carriages Inwards	2,040		
Carriages Outwards	1,130		
Discount	500		
Fuel	6,430		
Drawings	8,000		
	3,84,000		3,84,000

Closing stock: Rs.35,000

OR

- 9 A) Outline the pros and cons of double entry system of accounting. [5M]  
 B) What are rule of maintaining of books of accounts? Explain. [5M]
- 10 A) What do you understand about ratio analysis? Explain how it is useful for business decision making and what are its limitations. [5M]  
 B) How ratio Analysis is helpful in Business. [5M]

OR

- 11 The following is the balance sheet of XYZ COMPANY as on 31<sup>st</sup> DEC, 2011. [10M]

Liabilities	Amount	Assets	Amount
Equity capital	20,000	Goodwill	12,000
Capital reserve	10,000	Fixed assets	28,000
8%loan on Mortgage	16,000	Stocks	6,000
Trade Creditors	8,000	Debtors	6,000
Bank overdraft	6,000	Investments	2,000
		Cash in hand	6,000
TOTAL	60,000	Total	60,000

Sales amounted to Rs.1, 20,000. Calculate ratios for: a) liquidity b) Solvency of the company