

Code No: 154AH

JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD

B.Tech II Year II Semester Examinations, November/December - 2020

BUSINESS ECONOMICS AND FINANCIAL ANALYSIS

(Common to CSE, IT)

Time: 2 hours

Max. Marks: 75

Answer any five questions
All questions carry equal marks

- 1.a) List out the features of Limited Liability Company.
- b) Explain Sources of Capital. [7+8]

- 2.a) Explain the concept and importance of National Income.
- b) Discuss the importance of Elasticity of Demand in decision making. [7+8]

- 3.a) Explain Production Function with one variable input.
- b) Explain any four types of Costs. [8+7]

- 4.a) From the information given below Prepare Trading Account and Profit and Loss Account.
- b) Prepare Balance Sheet, if Closing stock is Rs.10,000. [8+7]

Particulars	Amount(Rs.)	Particulars	Amount(Rs.)
Cash	13500	Capital	75000
Building	20000	Creditors	10000
Insurance	2000	Sales	130000
Legal Charges	1500	Purchases Returns	2000
Debtors	20000		
Wages	5000		
Opening Stock	12000		
Machinery	30500		
Purchases	95000		
Salaries	12500		
Office Rent	5000		
	217000		217000

5. From the information given below calculate Gross Profit Ratio, Net Profit ratio, Operating Profit ratio. [15]

Particulars	Rs.	Particulars	Rs.
To Opening Stock	40000	By Net sales	115000
To Purchases	70000	By Closing stock	35000
To Wages	10000		
To Gross Profit (c/d)	30000		
	150000		150000
To Administrative exp	15000	By Gross Profit (b/d)	30000
To Selling expses	10000	By Sundry Receipt	15000
	65000		65000

- 6.a) Explain Law of Supply. [7+8]
b) Explain steps involved in Demand Forecasting.
- 7.a) Explain any three Accounting Concepts. [7+8]
b) Explain Accounting Equation with an example.
- 8.a) What is Fund Flow Analysis? Explain its importance. [7+8]
b) Explain the procedure for preparing Statement Showing Working Capital.

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