R18/R16

JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD
B. Tech II Year II Semester Examinations, March/April - 2021
BUSINESS ECONOMICS AND FINANCIAL ANALYSIS
(R18 - Common to CSE, IT; R16-Common to CE, EEE, ME, ECE, CSE, EIE, IT, MCT, ETM,
MMT, AE, MIE, PTM, CEE, MSNT)

Time: 3 Hours   **Max. Marks: 75**
Answer any five questions
All questions carry equal marks
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1.a) Define Business. And explain different sources of capital to take up companies.
  b) What is Economics? And explain different concepts of national income. [8+7]

2.a) What is business cycle. And explain the different phases of Business Cycle.
  b) Explain the nature and scope of Business Economics. [7+8]

3.a) Define Elasticity of Demand. And explain the measurement and significance of elasticity of demand.
  b) Explain the importance of elasticity of demand in decision making. [8+7]

4.a) Briefly explain different methods of demand forecasting.
  b) Explain the determinants of supply. And explain the Salient features of supply function. [7+8]

5.a) Explain the salient features of returns to scale.
  b) What are the types of costs? And explain short-run cost functions. [7+8]

6.a) Define Markets. And explain the salient features of Monopoly and Oligopoly.
  b) Briefly explain the significance, assumptions, limitations, uses and application value of Break-even analysis. [7+8]

7. Record the following transactions in proper books and post them into the ledger and draw out a trial balance: [15]

2004		Rs.
Jan. 1	Assets: Debtors: Ganpat Rai, Rs. 600; Shri Ram, Rs. 400; Lekhraj, Rs. 50; Stock Rs. 1,400; Cash in hand, Rs. 495; Furniture, Rs. 100. Liabilities: Creditors: General Trading Co., Rs. 400; Banwari Lal, Rs. 45.	
Jan. 2	Sold to Lekhraj	1,500
Jan. 3	Employed sital Prasd as cashier, received from him security deposit.	1,500
Jan. 6	Paid general trading Co. cash	390
	Discount allowed	10
Jan. 11	Ganpat Rai cleared his account less 5% cash discount	
Jan. 15	Bought of Banwari Lal goods	3,665
Jan. 19	Paid Insurance premium	86
Jan. 20	Received from Shri Ram cash	212
	Allowed him discount	8
Jan. 22	Sold goods to Ganpat Rai	86
Jan. 23	Sold goods to Shri Ram	60
	Paid rent of the godown	15
Jan. 25	Bought of General Trading Co. goods	945
Jan. 26	Returned to General Trading Co. defective goods	45
	Ganpat Rai returned damaged goods	16
Jan. 27	Banwari Lal gives us special allowance for certain defects in goods from them	50
Jan. 27	Goods sold to M/s. Ravi Bros. on credit	100
Jan. 28	Received from Lalta Prasad amount previously written off as bad debts	75
	Proprietor took away goods for his private use	200
Jan. 29	Received cash from Shri Ram	180
Jan. 30	Sold goods to Lekhraj	400
Jan. 31	Rent due to landlord	170
Jan. 31	Paid to stationery	140

8.a) Describe the differences between Liquidity Ratios and Turnover Ratios.
  b) Calculate Stock Turnover Ratio from the following income statement. [7+8]

Particulars	Amount	Particulars		Amount
Opening stock	75,000	Sales	3,00,000	
		Less: Returns	50,000	25,000
Purchases	1,00,000	Closing stock		10,000
Carriage inward	4,000			
Wages	11,000			
Manufacturing expenses	9,000			
Gross Profit	61,000			
	2,60,000			**2,60,000**

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