**R18**

Code No: 155AJ

**JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD**
**B. Tech III Year I Semester Examinations, March - 2021**
**BUSINESS ECONOMICS AND FINANCIAL ANALYSIS**
**(Mechanical Engineering)**

**Time: 3 Hours**                                                                 **Max. Marks: 75**

**Answer any five questions**
**All questions carry equal marks**
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1.a)   State the responsibilities and special functions of a Business Economist.
  b)   Business Economics is multidisciplinary in nature. Explain.                    [8+7]

2.a)   What is a Joint Stock Company. What are its features, advantages and disadvantages?
  b)   Discuss the sources of Long term capital for a company.                        [8+7]

3.a)   Explain briefly the different concepts of National Income and their usefulness.
  b)   Define Elasticity of demand. Discuss the factors affecting elasticity of demand.   [7+8]

4.a)   What is Demand forecasting. Explain any two methods of demand forecasting.
  b)   State and explain the Law of supply.                                           [7+8]

5.a)   Define Production function. What is its importance?
  b)   Differentiate between Fixed Cost and Variable Cost. Give examples of each.     [7+8]

6.a)   Compare and contrast perfect competition and Monopoly.
  b)   Illustrate Break-even analysis with the help of Break-even chart.              [7+8]

7.a) What is the difference between a Journal and Ledger.
b) From the following Trial Balance of Sri Gupta & Son, prepare Trading and Profit and Loss Account for the year ended 31st March, 2014.

| Trail Balance As on 31st March, 2014 | | |
|---|---|---|
| **Particulars** | **Debit (Rs)** | **Credit (Rs)** |
| Ram's Capital | | 29,000 |
| Ram's Drawings | 760 | |
| Purchases and Sales | 8,900 | 15,000 |
| Sales and Purchase Returns | 280 | 450 |
| Stock (1-4-2013) | 1,200 | |
| Wages | 800 | |
| Buildings | 22,000 | |
| Freight and Carriage | 2,000 | |
| Trade expenses | 200 | |
| Advertisement | 240 | |
| Interest | | 350 |
| Taxes and Insurance | 130 | |
| Debtors and Creditors | 6,500 | 1,200 |
| Bills Receivable and Payable | 1,500 | 700 |
| Cash at Bank | 1,200 | |
| Cash in Hand | 190 | |
| Salaries | 800 | |
| | **46,700** | **46,700** |

**Adjustmen**t: Stock on 31st March, 2014 was valued at Rs. 1500.  [15]

8.a) How are Ratios classified. What do they indicate?
b) What is a Funds Flow Statement? Discuss its utility.  [7+8]

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