

Code No.: SM401MS

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CMR ENGINEERING COLLEGE: : HYDERABAD
UGC AUTONOMOUS
II-B.TECH-II-Semester End Examinations (Regular) - June- 2022
BUSINESS ECONOMICS & FINANCIAL ANALYSIS
(Common to CSE, IT, CSC & CSD)

[Time: 3 Hours]

[Max. Marks: 70]

- Note:** 1. Answer any FIVE questions. Each question carries 14 marks.
2. All questions carry equal marks.
3. Illustrate your answers with NEAT sketches wherever necessary.

5X14=70

1. a) Explain the Significance of Business Economics. [7M]
b) What is National Income? Explain its importance. [7M]
2. a) What do you mean by Demand forecasting? Explain Statistical methods. [7M]
b) Define Law of demand? Write about the exception of law of demand. [7M]
3. a) List the features of Monopolistic Competition. [7M]
b) From the following Information Calculate i) Contribution ii)PV Ratio iii)Break Even sales [7M]
Sales Rs 200,000 Variable cost Rs 120,000 Fixed cost Rs 40,000
4. a) Define Accounting? What are the rule of maintaining of books of accounts [7M]
b) Distinguish between Accounting and Book Keeping [7M]
5. a) What do you understand by Ratio Analysis? Narrate the Advantages of Ratio Analysis. [7M]
b) From the following Balance sheet of a company as on 31st March 2015. Calculate i) Current Ratio. [7M]
ii) Quick Ratio. iii) Inventory to Working capital ratio. iv) Debt Equity Ratio.

Balance Sheet

Liabilities	Amount	Assets	Amount
Profit & loss Account	30,000	Land & Building	140,000
Share Capital	200,000	Plant & Machinery	350,000
General Reserves	40,000	Stock	200,000
12% Debentures	420,000	Debtors	100,000
Creditors	100,000	Bills receivable	10,000
Bills Payable	50,000	Cash at Bank	40,000
	840,000		840,000

6. a) Define Accounting concepts and conventions? [7M]
b) Explain the various tools used by Business Economist In decision making process. [7M]
7. a) Define the term demand? List out Determinants of Demand.. [7M]
b) What is Elasticity of Demand? List out different types of Elasticity of Demand [7M]
8. a) Define a Monopoly Market? How price is determined in monopoly Market [7M]
b) From the following information prepare journals entries. [7M]
Jan 1 Started business with cash Rs. 200000.
Jan 5 Rent paid Rs 15000.
Jan 6 Sold goods to Ram on credit bases Rs. 10000.
Jan 10 Purchase goods form Sita Rs. 25000.
Jan 20 Bank Charges Rs. 1500.
