

Code No.: SM401MS

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**CMR ENGINEERING COLLEGE: : HYDERABAD  
UGC AUTONOMOUS**

**II-B.TECH-II-Semester End Examinations (Supply) -February- 2024  
BUSINESS ECONOMICS & FINANCIAL ANALYSIS  
(Common to CSE, IT, CSC, CSD & AI&DS)**

[Time: 3 Hours]

[Max. Marks: 70]

Note: This question paper contains two parts A and B.

Part A is compulsory which carries 20 marks. Answer all questions in Part A.

Part B consists of 5 Units. Answer any one full question from each unit. Each question carries 10 marks and may have a, b, c as sub questions.

**PART-A**

**(20 Marks)**

1. a) Define Business Economics. [2M]
- b) Differentiate Micro and Macro Economics. [2M]
- c) State Law of Demand. [2M]
- d) Define Characteristics of Good Demand forecasting. [2M]
- e) Explain Feature of Monopoly. [2M]
- f) Define Law of Return to scale. [2M]
- g) Write Accounting Equation. [2M]
- h) Explain Conservatism. [2M]
- i) What is Turnover Ratio? [2M]
- j) Define Fund From operation. [2M]

**PART-B**

**(50 Marks)**

2. Define Business Economics. Explain its Nature and Scope. [10M]
- OR**
3. Explain the Major Theories of a Firm. [10M]
  4. Explain Elasticity of Demand and Factors affecting Elasticity of Demand. [10M]
- OR**
5. State the Law of Supply. What are the Determinants of Supply Explain Briefly? [10M]
  6. Define Break Even Point. What are the Assumptions in Break Even Analysis? [10M]
- OR**
7. Explain Production function with One Variable. [10M]

8. Define Accounting. Explain Accounting Concepts and Conventions. [10M]

**OR**

9. From the following Trial Balance Prepare Trading Account, Profit and Loss Account and Balance sheet. [10M]

Debit Balance	Amount Rs.	Credit Balance	Amount Rs.
Electricity	14,000	Interest	16,000
Land	140,000	Discount	6,000
Interest	16,000	Sales	8,00,000
Wages	50,000	Purchase Returns	10,000
Opening Stock	20,000	Creditors	60,000
Rent	24,000	Capital	3,02,000
Purchase	3,00,000	Bills payable	15,000
Office Expenses	30,000		
Building	4,00,000		
Salaries	90,000		
Power and water	30,000		
Sales Return	20,000		
Furniture	15,000		
Debtors	60,000		
Total	12,09,000		12,09,000

10. A Business has Current Assets of Rs 30,000 Including Stock of Goods of 5,00,000. Its Current Liabilities are Rs 15,00,000. What is the Current Ratio, if the rest of the current Assets Consist of Debtor and Cash What is the Quick Ratio. However, if the business Should have maintained stock of 15,00,000 what would be its Current Ratio and Quick Ratio. [10M]

**OR**

11. Explain the Difference between Fund Flow and Cash Flow. [10M]

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