

CMR ENGINEERING COLLEGE: : HYDERABAD
UGC AUTONOMOUS
III-B.TECH-I-Semester End Examinations (Supply) – December 2024
BUSINESS ECONOMICS & FINANCIAL ANALYSIS
(Common to MECH, ECE, CSM)

[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.

PART-A**(20 Marks)**

1. a) Differentiate Micro and Macro Economics. [2M]
 - b) Explain role of Business Economist. [2M]
 - c) What is meant by Demand and Supply? [2M]
 - d) Define Law of demand. [2M]
 - e) Explain returns to scale. [2M]
 - f) Write a note on Break Even Analysis. [2M]
 - g) Define Accounting. [2M]
 - h) Differentiate between Journal and Ledger. [2M]
 - i) Classify Solvency ratio. [2M]
 - j) Calculate closing stock [2M]
- Cost of goods sold=Rs.5,60,000
 Stock turnover Ratio=Rs.7 times
 Opening stock is 10,000 more than closing stock.

PART-B**(50 Marks)**

2. Define Business Economics and explain its Importance in finding solutions to Business problems. [10M]
- OR**
3. Discuss the different Concepts of National Income. How is National Income estimated? [10M]
 4. Explain the concept of Cross Elasticity of Demand. Illustrate your answer with examples. [10M]
- OR**
5. What are the needs of Demand Forecasting? Explain the various steps involved in Demand Forecasting. [10M]
 6. Define Production Function. Discuss in detail the different types of Production Functions. [10M]
- OR**
7. Explain various Cost Concepts which have significance on direct and indirect Cost Control. [10M]
 8. What is Trail Balance? What are the Objectives of preparing Trail Balance? Point out its limitations. [10M]
- OR**
9. What are the objectives of preparing Final Accounts? Explain the components of Final Account. [10M]

10. Calculate Capital Employed & Shareholders' Fund

[10M]

Equity Share Capital = Rs. 10,00,000

Debentures = Rs. 3,00,000

Loan from Bank = Rs.4,00,000

Preference Share Capital = Rs. 3,00,000

Bank overdraft = Rs.1,20,000

Creditors = Rs 1,50,000

Reserves = Rs.2,50,000

Non Trade Investments = Rs. 1,80,000

Preliminary Expenses = Rs. 20,000

Loss by fire = Rs.5,000

Provision for Tax = Rs.90,000

OR

11. Compare Funds Flow with Cash Flow Analysis with suitable examples.

[10M]
