



MALLA REDDY COLLEGE OF ENGINEERING & TECHNOLOGY

(Sponsored by CMR Educational Society)

**(Affiliated to JNTU, Hyderabad, Approved by AICTE - Accredited by NBA & NAAC – ‘A’
Grade - ISO 9001:2008 Certified) Maisammaguda, Dhulapally (Post Via Hakimpet),
Secunderabad – 500100**

**DEPARTMENT OF ELECTRICAL AND ELECTRONICS
ENGINEERING**

BUSINESS ECONOMICS AND FINANCIAL ANALYSIS

MODEL QUESTION PAPERS

FOR

III B.TECH I SEMESTER

(R-22)

2024-2025

EXAM PATTERN

Time: 3 Hours

Max. Marks: 60

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

Part A is compulsory which carries 10 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.

UNIT 1

PART-A

(10Marks)

- 1a) Define "Firm".
- b) Define Business Economics.
- c) What is the role of a business economist.
- d) Define Partnership Deed.
- e) What is Gross Domestic Product (GDP)?
- f) What is Microeconomics?
- g) Define Macroeconomics.
- h) What is Inflation?
- i) What are the phases of business cycle?
- j) What are the sources of capital for a company?

PART-B

(50 Marks)

2a) Explain the Structure of Business Firm.

2b) State the advantages and disadvantages of a partnership.

OR

3a) Explain different sources of raising capital for a company.

3b) Explain about Non-Conventional sources of Finance.

4a) Discuss the differences between a public limited and a private limited company.

4b) Explain the advantages and disadvantages of Sole Proprietorship.

OR

5a) Define business economics and explain its nature and scope.

5b) Define the business cycle. Explain the features and phases of the business cycle.

6a) What is national income? Explain its concepts.

6b) Explain inflation and its types.

OR

7a) Discuss the multidisciplinary nature of business economics.

7b) Define economics and explain its significance.

UNIT 2

PART-A (10Marks)

- 1a) Define Demand Analysis.
- b) What is Law of Demand.
- c) Define Elasticity of Demand.
- e) List-out the determinants of Demand.
- f) What are the determinants of Supply?
- g) What is Demand Forecasting?
- h) List-out the characteristics of Demand Forecasting.
- i) What is Supply function?
- j) What is Law of Supply?

PART-B (50 Marks)

- 2a) Explain the types of elasticity of demand.
 - 2b) Explain the significance of elasticity of demand.
- OR
- 3a) What is the Law of Demand? Explain the graphical representation of the Law of Demand.
 - 3b) What is the Law of Supply? Explain its determinants.
- 4a) What is demand? Explain its determinants.
 - 4b) Explain demand forecasting methods.
- OR
- 5a) Explain briefly the characteristics of good demand forecasting.
 - 5b) Write the steps in Demand Forecasting.
- 6a) Explain about Supply Function.
 - 6b) What is supply analysis? Explain its determinants.
- OR
- 7a) Define elasticity of demand; explain its measurements.
 - 7b) Explain the Factors affecting elasticity of demand.

UNIT 3

PART-A

(10Marks)

- 1a) Define Production Function.
- b) What is monopolistic competition?
- c) Write the Features of perfect competition.
- d) Differentiate Monopoly and Monopolistic competition.
- e) Define Break-Even Analysis.
- f) What are the Features of monopoly?
- g) What is Market Skimming?
- h) What is sealed bid pricing?
- i) What is Short run and Long run Cost?
- j) What is a Production function with one variable input?

PART-B

(50 Marks)

- 2a) Define Production and explain factors of production.
- 2b) What is Returns to Scale? State various Types of Returns to Scale

OR

- 3a) Define Costs and Explain Types of Costs.
- 3b) Differentiate Short run cost and Long run cost
- 4a) Define Market and explain various classifications of the market.
- 4b) Write a Brief note on Monopoly and Oligopoly Market Structures.

OR

- 5a) What is Perfect Competition? State the Features of Perfect competition
- 5b) Brief Monopolistic Competition and state its Features.

- 6a) Explain briefly Contribution, Break-Even Point (BEP), Margin of Safety (M/S), Profit Volume (P/V) Ratio.

OR

- 6b) Given the following information relating to a company:

Sales: Rs. 4,00,000

Variable cost: Rs. 2,50,000

Fixed cost: Rs. 1,80,000

Calculate:

- i) Contribution
- ii) P/V ratio
- iii) BEP in units
- iv) BEP in Rupees.

UNIT 4

PART-A

(25 Marks)

- 1a) What is Double Entry system of Book keeping?
- b) List three Accounting Concepts.
- c) Define Accounting Equation.
- d) Give the Examples for Books of Accounts.
- e) Define Trial Balance.
- f) What is the Business Entity Concept?
- g) What are Accounting Conventions?
- h) Write Debit and Credit Rules.

PART-B

(50 Marks)

- 2a) Define Accounting. Give the Classification of Accounts.
- 2b) Explain various accounting concepts and conventions.

OR

- 3a) Describe the Accounting process in detail.
- 3b) What is Double entry system of Accounting? State the rules for maintaining books of accounts.
- 4) Prepare a Trial Balance with the following information:

Sr. No	Name of Account	Balance (₹)	Sr. No	Name of Account	Balance (₹)
(i)	Capital	2,00,000	(ii)	Stock	70,000
(iii)	Cash	1,80,000	(iv)	Debtors	3,00,000
(v)	Creditors	1,00,000	(vi)	Bank Loan	1,50,000
(vii)	Sales	3,00,000	(viii)	Purchases	2,00,000

OR

5) From the following Trial balance of Vikram Foundary works, prepare trading account and profit and loss account for the year ending March 31, 2014. Also prepare a balance sheet as on that date.

Debit balances(Dr.)	Rs.	Credit balances(Cr.)	Rs.
Electricity	14,000	Interest	16,000
Land	1,40,000	Discount	6,000
Interest	16,000	Sales	8,00,000
Wages	50,000	Returns	10,000
Opening Stock	20,000	Sundry Creditors	60,000
Rent	24,000	Capital	3,02,000
Purchases	3,00,000	Bills Payable	15,000
Office Expenses	30,000		
Building	4,00,000		
Salaries	90,000		
Power gas and water	30,000		
Returns	20,000		
Furniture	15,000		
Sundry Debtor	60,000		
	12,09,000		12,09,000

Additional Information

1. Outstanding Salaries Rs.10,000
2. Closing stock Rs.80,000
3. Depreciate Building @10 percent per annum.
4. Interest received in advance Rs.2,000
5. Write off bad debts Rs 10,000

UNIT 5
PART-A(10 Marks)

- 1a) Define Ratio Analysis.
- b) What do you mean by Turnover ratio?
- c) What is the importance of capital structure ratio?
- d) What are profitability ratios?
- e) Define Current Ratio, Write its formula.
- f) What is debt-equity ratio? Give the formula?
- g) What is the Primary Importance of ratio analysis?
- h) What are solvency ratios?

PART-B (50 Marks)

2a)what is Ratio Analysis? Explain the Importance of ratio analysis.

2b)Explain Different types of Ratio Analysis.

OR

3a)Briefly explain about Solvency Ratios.

3b) The following is the Balance sheet of Nav Bharath Limited for the year ending 31st December, 1999. (New)

LIABILITIES	AMOUNT	ASSETS	AMOUNT
Equity Share Capital	5,00,000	Fixed Assets	10,00,000
Preference Share Capital	1,00,000	Investments	3,00,000
Reserves and Surplus	4,00,000	Cash	50,000
Debentures	7,00,000	Debtors	1,50,000
Sundry Creditors	60,000	Marketable Securities	2,00,000
Bills Payable	1,00,000	Stock	3,00,000
Outstanding Expenses	10,000		
Bank Overdraft	1,30,000		
	20,00,000		20,00,000

From the Following Balance Sheet Ascertain:

1. Current Ratio.
2. Quick Ratio.
3. Absolute Liquid Ratio.

OR

4a) Explain Briefly about Leverage Ratios.

4b) The following is Profit & Loss Account of Bharath Electronic Ltd., for the year ended 31st December 1999. prepare profitability Ratio.

Particular	Amount	Particular	amount
To Opening Stock	150000	By Sales	840000
To Purchases		Less Return	
Less Returns	525000	By Closing	150000
To Wages		Stock	
To Carriage	8000		
To Gross profit	5500		
	301500		
	990000		990000
To Admn Expenses	30000	By Gross	301500
To S&D Expenses	133500	Profit	
To Non-operating	45000	By Dividend	15000
exp		received	12000
To Net profit	120000	By Profit on	
		sale of FA	
	328500		328500

OR

5a) XYZ Company has the following result of the previous financial year. calculate Debtor turnover ratio

Opening Debtors 64,000

Closing Debtors 72,000

Credit Sale 8,00,000

5b) What is liquidity ratio? Explain briefly