

**R18**

Code No: 153AE

**JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD**

**B. Tech II Year I Semester Examinations, March - 2022**

**BUSINESS ECONOMICS AND FINANCIAL ANALYSIS**

(Common to ECM, CSBS, CSIT, CSE(AIML), CSE(DS))

Time: 3 Hours

Max. Marks: 75

Answer any five questions

All questions carry equal marks

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- 1.a) Briefly explain the types of Business entities.  
b) State the sources of long-term capital for a company. [7+8]
- 2.a) Discuss the nature and scope of Business Economics.  
b) Explain briefly the different concepts of National Income and their usefulness. [7+8]
- 3.a) Explain the Law of demand with the help of demand schedule and demand curve. Are there any exceptions?  
b) Define demand elasticity and brief on the methods of measuring elasticity. [8+7]
- 4.a) Describe the importance of demand forecasting for business enterprises.  
b) What are the determinants of Supply and discuss the law of supply? [8+7]
- 5.a) Write a note on factors of Production and examine the law of returns to scale.  
b) Differentiate between Fixed cost and Variable cost. [8+7]
- 6.a) What are the features of Perfect competition.  
b) Illustrate the stages of Product Life Cycle and the pricing strategies that may be followed at each stage. [7+8]

7. From the following balances of Mr. Giridhar as on 31-12-2019, prepare Final Accounts with closing stock of Rs. 10,000. [15]

Particulars	Rs.	Particulars	Rs.
Purchases	42,000	Creditors	10,000
Loan on Mortgage	30,000	Bills Receivable	3,000
Wages	30,000	Cash at Bank	2,000
Salaries	7,200	Debtors	30,000
Bills Payable	4,000	Machinery	20,000
Loose Tools	1,000	Insurance	150
Cash in hand	1,000	Land	40,000
Stationary	1,200	Capital	40,000
Office Expenditure	700	Interest	1,500
Sales	96,400	Rent	650

- 8.a) Explain the role of Ratio analysis in the interpretation of financial statements.  
b) A company has 1500 shares, market price of which is Rs. 45 per share and its Net profit after taxes for the financial year 2019-2020 is Rs. 4,50,000. Find the Earnings per share (EPS) and Price Earnings (PE) Ratio. [7+8]

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