



ACE
Engineering College
(with a Difference in Excellence)

An AUTONOMOUS Institution

Question Paper Code:

SM302MS

ACE-R20

Semester Supplementary Examination
II B. Tech- I Semester- SEPTEMBER-2022
BUSINESS ECONOMICS AND FINANCIAL ANALYSIS
Common to CSM and CSD

Time: 3 Hours

Max. Marks: 70

H. T. No

Answer any 5 Questions out of 8 Questions from the following

Q.No	Question	Marks
1. a)	Define sole proprietorship and explain its advantages and disadvantages.	7
b)	Explain nature and scope of business economics.	7
2. a)	Define inflation and explain How does money supply affect inflation?	6
b)	Explain the role of business economist in the dynamic business environment.	8
3. a)	What is meant by elasticity of demand? Explain different types of elasticity.	6
b)	What is meant by law of demand? Explain its exceptions.	8
4. a)	Explain different methods of demand forecasting.	7
b)	Explain production function with one variable input.	7
5. a)	Explain different types of pricing.	7
b)	A firm has a fixed cost 10,000 rupees, Selling price 5/- per unit and Variable cost 3/- per unit. Determine BEP in terms of Volume and Value. Margin of safety (Actual production is 8000 Units).	7
6. a)	What is meant by Balance sheet and explain its importance	8
b)	Prepare formats of Journal and ledger	6
7. a)	Define accounting and explain its importance to business.	7
b)	Define financial ratios and Explain key ratios under financial ratios	7
8. a)	Clearly describe the format of funds flow statement	6
b)	From the following data calculate Gross profit, Net profit and operating expenses ratios. Gross profit- 252000/- Net profit – 195000/- Operating expense – 57000/- Net sales- 1800000/-	8