



Question Paper Code:

SM402MS

ACE-R20

Semester End Examination
II B. Tech- II Semester- AUGUST-2022
BUSINESS ECONOMICS & FINANCIAL ANALYSIS
Common to MECH, CSE, IT,CSO

Time: 3 Hours

Max. Marks: 70

H. T. No

Answer any 5 Questions out of 8 Questions from the following

Q.No	Question	M																								
1. a)	Define partnership of business and explain its advantages and disadvantages.	7																								
b)	What is meant by capital? Explain the main sources of capital for business owners.	7																								
2. a)	Distinguish between micro and macro economics.	6																								
b)	Define business cycle. Explain different phases in business cycle.	8																								
3. a)	Explain perfect competition with its features.	6																								
b)	What are the different stages in product life cycle? Explain	8																								
4. a)	Explain the concept of break even analysis with neat diagram.	9																								
b)	A high-tech train can carry maximum of 36000 passengers per annum at a fare of Rs.400/-The Variable cost per passenger is Rs.150/- while Fixed Cost is Rs.25, 00,000/- per year. Find BEP in terms of number of passengers and also in terms of fare collection.	5																								
5. a)	Define elasticity of demand. How elasticity of demand is measured?	7																								
b)	Explain the concept of supply with its determinants.	7																								
6. a)	What are the main concepts of accounting?	8																								
b)	Explain double entry book keeping along with rules for books of accounting.	6																								
7. a)	Prepare formats of Trading account, Profit and Loss account and Balance sheet	7																								
b)	Define financial ratios and Explain key ratios under financial ratios	7																								
8. a)	Clearly describe the format of Cash flow statement	6																								
b)	From the following Balance sheet of ABC company limited Calculate Current and Quick ratios Or Liquidity ratios.	8																								
	<table border="1"> <thead> <tr> <th>Liabilities</th> <th>Amount</th> <th>Assets</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Preference share capital</td> <td>100</td> <td>Land & Building</td> <td>225</td> </tr> <tr> <td>Equity share capital</td> <td>150</td> <td>Plant and Machinery</td> <td>250</td> </tr> <tr> <td>General reserve</td> <td>250</td> <td>Furniture</td> <td>100</td> </tr> <tr> <td>Debentures</td> <td>400</td> <td>Stock</td> <td>250</td> </tr> <tr> <td></td> <td>200</td> <td>Debtors</td> <td>125</td> </tr> </tbody> </table>	Liabilities	Amount	Assets	Amount	Preference share capital	100	Land & Building	225	Equity share capital	150	Plant and Machinery	250	General reserve	250	Furniture	100	Debentures	400	Stock	250		200	Debtors	125	
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Creditors		Cash at bank	250
Bills payable	50	Cash in hand	125
Outstanding expenses	50	Prepaid expenses	50
P&L A/C Balance	100	Marketable securities	125
Bank loan	200		
			<hr/>
			1500
	<hr/>		
	1500		