

# CMR TECHNICAL CAMPUS

## B. Tech Question Bank (R22 Regulation)

**Academic Year: 2024-25**

**Semester: VI**

**Subject Name: BUSINESS ECONOMICS & FINANCIAL ANALYSIS**

**Faculty Name: CH KISHORE KUMAR**

### PART-A

| Q. No                   | Questions   | Marks | BL | CO  | Unit No  |
|-------------------------|---|-------|----|-----|----------|
| 1                       | Write about Nature of Business Economics.           | 2M    | L4 | CO1 | UNIT-I   |
| 2                       | Distinguish the Micro and Macro Economics.          | 2M    | L4 | CO1 | UNIT-I   |
| 3                       | List out the role of Business Economist.            | 2M    | L4 | CO1 | UNIT-I   |
| 4                       | Define the Business Economics.                      | 2M    | L1 | CO1 | UNIT-I   |
| 5                       | List out the sources of capital for a company.      | 2M    | L4 | CO1 | UNIT-I   |
| 6                       | Explain briefly about National Income.              | 2M    | L2 | CO1 | UNIT-I   |
| 7                       | Explain the Supply function..                       | 2M    | L2 | CO2 | UNIT-II  |
| 8                       | What is Law of Demand                               | 2M    | L1 | CO2 | UNIT-II  |
| 9                       | What is Demand Forecasting?                         | 2M    | L1 | CO2 | UNIT-II  |
| 10                      | Explain the Price Elasticity of Demand.             | 2M    | L2 | CO2 | UNIT-II  |
| 11                      | What is meant by Perfectly Elasticity of Demand.    | 2M    | L1 | CO2 | UNIT-II  |
| 12                      | What is meant by Elasticity of Demand?              | 2M    | L1 | CO2 | UNIT-II  |
| 13                      | Explain Production Function.                        | 2M    | L1 | CO3 | UNIT-III |
| 14                      | Write about Different types of Production Function. | 2M    | L2 | CO3 | UNIT-III |
| 15                      | What is meant by Cost?                              | 2M    | L1 | CO3 | UNIT-III |
| <b>MID-II Questions</b> |   |       |    |     |          |
| 16                      | Define the Market.                                  | 2M    | L1 | CO3 | UNIT-III |
| 17                      | What is the Meaning of Pricing?                     | 2M    | L1 | CO3 | UNIT-III |
| 18                      | Explain the Breakeven point.                        | 2M    | L1 | CO3 | UNIT-III |
| 19                      | What is Accounting?                                 | 2M    | L1 | CO4 | UNIT-IV  |
| 20                      | What is the rule of double entry system?            | 2M    | L1 | CO4 | UNIT-IV  |
| 21                      | Write about any three Accounting concepts.          | 2M    | L3 | CO4 | UNIT-IV  |
| 22                      | What is the meaning of dual entry system?           | 2M    | L1 | CO4 | UNIT-IV  |
| 23                      | Draw the proforma of Ledger.                        | 2M    | L4 | CO4 | UNIT-IV  |
| 24                      | Explain Accounting equation.                        | 2M    | L2 | CO4 | UNIT-IV  |
| 25                      | Explain the meaning of Ratio.                       | 2M    | L2 | CO5 | UNIT-V   |
| 26                      | Write the formula for Gross Profit Ratio.           | 2M    | L2 | CO5 | UNIT-V   |
| 27                      | What is the Formula for Current Ratio?              | 2M    | L1 | CO5 | UNIT-V   |
| 28                      | Write the formula of Quick Ratio?                   | 2M    | L2 | CO5 | UNIT-V   |
| 29                      | Explain any three limitations of Ratios.            | 2M    | L2 | CO5 | UNIT-V   |
| 30                      | Write the Uses of Ratio analysis.                   | 2M    | L2 | CO5 | UNIT-V   |

## PART-B

| Q.No  | Questions  | Marks | BL | CO  | Unit No  |              |            |       |              |                |             |                   |             |
|---|--|-------|----|-----|----------|--------------|------------|-------|--------------|----------------|-------------|-------------------|-------------|
| 1   | Explain Types of Business entities.  | 4M    | L1 | CO1 | UNIT-I   |              |            |       |              |                |             |                   |             |
| 2   | What are the Non-Conventional sources of finance.  | 4M    | L1 | CO1 | UNIT-I   |              |            |       |              |                |             |                   |             |
| 3   | Define Inflation and Explain   | 4M    | L2 | CO1 | UNIT-I   |              |            |       |              |                |             |                   |             |
| 4   | Explain the Nature of Business Economics   | 4M    | L2 | CO1 | UNIT-I   |              |            |       |              |                |             |                   |             |
| 5   | Business Economics is the Integration of Economic theory. Discuss  | 4M    | L4 | CO1 | UNIT-I   |              |            |       |              |                |             |                   |             |
| 6   | Explain the significance of Business Economics   | 4M    | L2 | CO1 | UNIT-I   |              |            |       |              |                |             |                   |             |
| 7   | Explain the Business Economics and its scope   | 8M    | L2 | CO1 | UNIT-I   |              |            |       |              |                |             |                   |             |
| 8   | List out the different types of Business firms, Explain  | 8M    | L4 | CO1 | UNIT-I   |              |            |       |              |                |             |                   |             |
| 9   | Define the Business cycle and Explain the Phases   | 8M    | L1 | CO1 | UNIT-I   |              |            |       |              |                |             |                   |             |
| 10  | List out the Survey methods in Demand Forecasting  | 4M    | L4 | CO2 | UNIT-II  |              |            |       |              |                |             |                   |             |
| 11  | Explain the Importance of Elasticity of Demand   | 4M    | L1 | CO2 | UNIT-II  |              |            |       |              |                |             |                   |             |
| 12  | Define the Measurements in Elasticity of Demand  | 4M    | L1 | CO2 | UNIT-II  |              |            |       |              |                |             |                   |             |
| 13  | Identify what are the Areas/Factors will determine the Demand. Explain   | 4M    | L3 | CO2 | UNIT-II  |              |            |       |              |                |             |                   |             |
| 14  | Write about Demand function  | 4M    | L1 | CO2 | UNIT-II  |              |            |       |              |                |             |                   |             |
| 15  | What are the Characteristics of Demand Forecasting   | 4M    | L1 | CO2 | UNIT-II  |              |            |       |              |                |             |                   |             |
| 16  | What are the Statistical (Quantitative) Methods of Demand Forecasting  | 8M    | L1 | CO2 | UNIT-II  |              |            |       |              |                |             |                   |             |
| 17  | Identify what are the Areas/Factors will determine the supply. Explain   | 8M    | L3 | CO2 | UNIT-II  |              |            |       |              |                |             |                   |             |
| 18  | What are the types of Elasticity of Demand and Explain briefly   | 8M    | L2 | CO2 | UNIT-II  |              |            |       |              |                |             |                   |             |
| 19  | Explain the Production function with one Variable  | 4M    | L2 | CO3 | UNIT-III |              |            |       |              |                |             |                   |             |
| 20  | What are the Different types of Cost? Discuss  | 4M    | L1 | CO3 | UNIT-III |              |            |       |              |                |             |                   |             |
| 21  | Explain the Perfect competition, How to determine the price under Perfect competition  | 4M    | L3 | CO3 | UNIT-III |              |            |       |              |                |             |                   |             |
| MID-II Questions                                  |  |       |    |     |          |              |            |       |              |                |             |                   |             |
| 22  | List out the Different types of Pricing  | 4M    | L4 | CO3 | UNIT-III |              |            |       |              |                |             |                   |             |
| 23  | You are given the following information  | 4M    | L4 | CO3 | UNIT-III |              |            |       |              |                |             |                   |             |
|   | <table><tr><td>Particulars</td><td>Amount(Rs)</td></tr><tr><td>sales</td><td>Rs.10,00,000</td></tr><tr><td>Fixed Expenses</td><td>Rs.2,00,000</td></tr><tr><td>Variable Expenses</td><td>Rs.3,00,000</td></tr></table> |       |    |     |          | Particulars  | Amount(Rs) | sales | Rs.10,00,000 | Fixed Expenses | Rs.2,00,000 | Variable Expenses | Rs.3,00,000 |
|   | Particulars  |       |    |     |          | Amount(Rs)   |            |       |              |                |             |                   |             |
|   | sales  |       |    |     |          | Rs.10,00,000 |            |       |              |                |             |                   |             |
|   | Fixed Expenses   |       |    |     |          | Rs.2,00,000  |            |       |              |                |             |                   |             |
| Variable Expenses                                 | Rs.3,00,000  |       |    |     |          |              |            |       |              |                |             |                   |             |
| You are required to Calculate                     |  |       |    |     |          |              |            |       |              |                |             |                   |             |
| a) BEP  |  |       |    |     |          |              |            |       |              |                |             |                   |             |
| b) P/V Ratio                                      |  |       |    |     |          |              |            |       |              |                |             |                   |             |
| c) Margin of Safety                               |  |       |    |     |          |              |            |       |              |                |             |                   |             |
| d) Profit   |  |       |    |     |          |              |            |       |              |                |             |                   |             |
| Sales required to earn a profit of Rs. 2, 50,000. |  |       |    |     |          |              |            |       |              |                |             |                   |             |
| 24  | You are required to calculate  | 4M    | L4 | CO3 | UNIT-III |              |            |       |              |                |             |                   |             |
|   | a) Margin of Safety  |       |    |     |          |              |            |       |              |                |             |                   |             |
|   | b) Total sales   |       |    |     |          |              |            |       |              |                |             |                   |             |

|         |   |               |                    |        |         |    |    |     |
|---------|---|---------------|--------------------|--------|---------|----|----|-----|
|         | c) Variable cost from the following figures;<br>Fixed costs Rs. 12,000, Profit Rs. 1,000, Break-Even Sales Rs.60,000  |               |                    |        |         |    |    |     |
| 25      | “Accounting principles are essential for maintaining of systematic accounting.” Do you agree? Comment   | 4M            | L4                 | CO4    | UNIT-IV |    |    |     |
| 26      | Journalize the following transactions in the books of Raj Shekhar:<br>Jan.1 Bought goods from Rao for Rs.500<br>Jan.2 Sold goods for cash Rs.150<br>Jan.5 Sold goods to Murthy Rs.300<br>Jan.12 Bought goods for cash Rs.750<br>Jan.18 Bought furniture for cash Rs. 200  | 4M            | L4                 | CO4    | UNIT-IV |    |    |     |
| 27      | What are the Accounting concepts? Explain   | 4M            | L2                 | CO4    | UNIT-IV |    |    |     |
| 28      | Explain Accounting conventions  | 4M            | L2                 | CO4    | UNIT-IV |    |    |     |
| 29      | What is Double entry system? Discuss the Advantages   | 4M            | L3                 | CO4    | UNIT-IV |    |    |     |
| 30      | Write the Meaning and Definition of Accounting  | 4M            | L1                 | CO4    | UNIT-IV |    |    |     |
| 31      | Journalize the following transactions of 2010 May month.<br>1.05.2010. Vamsi commenced business with Rs1,00,000<br>2.05.2010. Deposited Rs. 40,000 with bank.<br>5.05.2010. Purchased good worth Rs. 15,000 from Mr.A<br>10.5.2010. Purchased goods worth Rs. 5,000 from Mr.<br>12.05.2010. Sold goods to Mr.Z worth Rs. 8000<br>15.05.2010. Goods returned by Mr. Z worth Rs. 250<br>16.05.2010. Returned defective goods worth Rs. 900 to Mr. A | 8M            | L4                 | CO4    | UNIT-IV |    |    |     |
| 32      | The following are the closing balances extracted from the books of Bhargav for the year ending 31st December 2004 with the help of which prepare Trading Account, Profit and Loss A/c and Balance Sheet.  |               |                    |        | UNIT-IV |    |    |     |
|         | Debit balances  | Rs.           | Credit Balances    | Rs.    |         | 8M | L4 | CO4 |
|         | Opening stock   | 6,050         | Sales              | 13,720 |         |    |    |     |
|         | Purchases   | 9,030         | Purchases returns  | 130    |         |    |    |     |
|         | Carriage  | 220           | Capital            | 3,000  |         |    |    |     |
|         | Drawings  | 450           | Creditors          | 4,500  |         |    |    |     |
|         | Investments   | 3,800         | Discounts received | 350    |         |    |    |     |
| Debtors | 2,500   | Mortgage loan | 4,000              |        |         |    |    |     |

|                  |   |              |          |     |         |                  |          |              |          |               |        |        |        |                 |        |  |        |           |        |  |  |               |        |  |  |                |          |  |  |    |    |     |        |
|------------------|---|--------------|----------|-----|---------|------------------|----------|--------------|----------|---------------|--------|--------|--------|-----------------|--------|--|--------|-----------|--------|--|--|---------------|--------|--|--|----------------|----------|--|--|----|----|-----|--------|
|                  | <table><tr><td>Cash</td><td>1,350</td><td></td><td></td></tr><tr><td>Printing charges</td><td>1,200</td><td></td><td></td></tr><tr><td>Wages</td><td>1,100</td><td></td><td></td></tr><tr><td></td><td>25,700</td><td></td><td>25,700</td></tr></table> <p>ADJUSTMENTS</p> <p>(a) Closing stock was valued at Rs.16,000</p> <p>(b) Wages outstanding by Rs.900</p> <p>(c) Outstanding discounts receivable Rs.150</p> <p>(d) Write off bad debts Rs. 500</p> <p>(e) Prepaid printing charges Rs. 500.</p>   | Cash         | 1,350    |     |         | Printing charges | 1,200    |              |          | Wages         | 1,100  |        |        |                 | 25,700 |  | 25,700 |           |        |  |  |               |        |  |  |                |          |  |  |    |    |     |        |
| Cash             | 1,350   |              |          |     |         |                  |          |              |          |               |        |        |        |                 |        |  |        |           |        |  |  |               |        |  |  |                |          |  |  |    |    |     |        |
| Printing charges | 1,200   |              |          |     |         |                  |          |              |          |               |        |        |        |                 |        |  |        |           |        |  |  |               |        |  |  |                |          |  |  |    |    |     |        |
| Wages            | 1,100   |              |          |     |         |                  |          |              |          |               |        |        |        |                 |        |  |        |           |        |  |  |               |        |  |  |                |          |  |  |    |    |     |        |
|                  | 25,700  |              | 25,700   |     |         |                  |          |              |          |               |        |        |        |                 |        |  |        |           |        |  |  |               |        |  |  |                |          |  |  |    |    |     |        |
| 33               | Define double entry system. Explain the rules of double entry system while converting business transaction in to journal entry.   | 8M           | L1       | CO4 | UNIT-IV |                  |          |              |          |               |        |        |        |                 |        |  |        |           |        |  |  |               |        |  |  |                |          |  |  |    |    |     |        |
| 34               | How are ratios classified for the purpose of financial analysis   | 4M           | L1       | CO5 | UNIT-V  |                  |          |              |          |               |        |        |        |                 |        |  |        |           |        |  |  |               |        |  |  |                |          |  |  |    |    |     |        |
| 35               | Illustrate any two types of ratios under each category  | 4M           | L3       | CO5 | UNIT-V  |                  |          |              |          |               |        |        |        |                 |        |  |        |           |        |  |  |               |        |  |  |                |          |  |  |    |    |     |        |
| 36               | <p>From the following information, calculate</p> <p>i. Current ratio</p> <p>ii. Quick ratio</p> <table><tr><td></td><td>Rs.</td><td></td><td>Rs.</td></tr><tr><td>Cash</td><td>2,40,000</td><td>Bank balance</td><td>1,30,000</td></tr><tr><td>Closing stock</td><td>60,000</td><td>Sundry</td><td>70,000</td></tr><tr><td>General reserve</td><td>40,000</td><td></td><td></td></tr><tr><td>Creditors</td><td>66,000</td><td></td><td></td></tr><tr><td>Bills payable</td><td>14,000</td><td></td><td></td></tr><tr><td>Bank overdraft</td><td>20,000</td><td></td><td></td></tr></table>        |              | Rs.      |     | Rs.     | Cash             | 2,40,000 | Bank balance | 1,30,000 | Closing stock | 60,000 | Sundry | 70,000 | General reserve | 40,000 |  |        | Creditors | 66,000 |  |  | Bills payable | 14,000 |  |  | Bank overdraft | 20,000   |  |  | 4M | L1 | CO5 | UNIT-V |
|                  | Rs.   |              | Rs.      |     |         |                  |          |              |          |               |        |        |        |                 |        |  |        |           |        |  |  |               |        |  |  |                |          |  |  |    |    |     |        |
| Cash             | 2,40,000  | Bank balance | 1,30,000 |     |         |                  |          |              |          |               |        |        |        |                 |        |  |        |           |        |  |  |               |        |  |  |                |          |  |  |    |    |     |        |
| Closing stock    | 60,000  | Sundry       | 70,000   |     |         |                  |          |              |          |               |        |        |        |                 |        |  |        |           |        |  |  |               |        |  |  |                |          |  |  |    |    |     |        |
| General reserve  | 40,000  |              |          |     |         |                  |          |              |          |               |        |        |        |                 |        |  |        |           |        |  |  |               |        |  |  |                |          |  |  |    |    |     |        |
| Creditors        | 66,000  |              |          |     |         |                  |          |              |          |               |        |        |        |                 |        |  |        |           |        |  |  |               |        |  |  |                |          |  |  |    |    |     |        |
| Bills payable    | 14,000  |              |          |     |         |                  |          |              |          |               |        |        |        |                 |        |  |        |           |        |  |  |               |        |  |  |                |          |  |  |    |    |     |        |
| Bank overdraft   | 20,000  |              |          |     |         |                  |          |              |          |               |        |        |        |                 |        |  |        |           |        |  |  |               |        |  |  |                |          |  |  |    |    |     |        |
| 37               | Explain the Importance of Ratio Analysis  | 4M           | L2       | CO5 | UNIT-V  |                  |          |              |          |               |        |        |        |                 |        |  |        |           |        |  |  |               |        |  |  |                |          |  |  |    |    |     |        |
| 38               | What are the different Types of Liquidity Ratios? Explain   | 4M           | L1       | CO5 | UNIT-V  |                  |          |              |          |               |        |        |        |                 |        |  |        |           |        |  |  |               |        |  |  |                |          |  |  |    |    |     |        |
| 39               | Explain Advantages and Disadvantages of Ratio analysis  | 4M           | L2       | CO5 | UNIT-V  |                  |          |              |          |               |        |        |        |                 |        |  |        |           |        |  |  |               |        |  |  |                |          |  |  |    |    |     |        |
| 40               | <p>From the following information, calculate</p> <p>i. Debt-Equity ratio</p> <p>ii. Current ratio</p> <table><tr><td></td><td>Rs.</td><td></td><td>Rs.</td></tr><tr><td>Debentures</td><td>1,40,000</td><td>Bank balance</td><td>30,000</td></tr><tr><td>Long term</td><td>70,000</td><td>Sundry</td><td>70,000</td></tr><tr><td>General reserve</td><td>40,000</td><td></td><td></td></tr><tr><td>Creditors</td><td>66,000</td><td></td><td></td></tr><tr><td>Bills payable</td><td>14,000</td><td></td><td></td></tr><tr><td>Share capital</td><td>1,20,000</td><td></td><td></td></tr></table> |              | Rs.      |     | Rs.     | Debentures       | 1,40,000 | Bank balance | 30,000   | Long term     | 70,000 | Sundry | 70,000 | General reserve | 40,000 |  |        | Creditors | 66,000 |  |  | Bills payable | 14,000 |  |  | Share capital  | 1,20,000 |  |  | 8M | L4 | CO5 | UNIT-V |
|                  | Rs.   |              | Rs.      |     |         |                  |          |              |          |               |        |        |        |                 |        |  |        |           |        |  |  |               |        |  |  |                |          |  |  |    |    |     |        |
| Debentures       | 1,40,000  | Bank balance | 30,000   |     |         |                  |          |              |          |               |        |        |        |                 |        |  |        |           |        |  |  |               |        |  |  |                |          |  |  |    |    |     |        |
| Long term        | 70,000  | Sundry       | 70,000   |     |         |                  |          |              |          |               |        |        |        |                 |        |  |        |           |        |  |  |               |        |  |  |                |          |  |  |    |    |     |        |
| General reserve  | 40,000  |              |          |     |         |                  |          |              |          |               |        |        |        |                 |        |  |        |           |        |  |  |               |        |  |  |                |          |  |  |    |    |     |        |
| Creditors        | 66,000  |              |          |     |         |                  |          |              |          |               |        |        |        |                 |        |  |        |           |        |  |  |               |        |  |  |                |          |  |  |    |    |     |        |
| Bills payable    | 14,000  |              |          |     |         |                  |          |              |          |               |        |        |        |                 |        |  |        |           |        |  |  |               |        |  |  |                |          |  |  |    |    |     |        |
| Share capital    | 1,20,000  |              |          |     |         |                  |          |              |          |               |        |        |        |                 |        |  |        |           |        |  |  |               |        |  |  |                |          |  |  |    |    |     |        |
|                  | <p>From the following information calculate</p> <p>i. Current ratio</p>   |              |          |     |         |                  |          |              |          |               |        |        |        |                 |        |  |        |           |        |  |  |               |        |  |  |                |          |  |  |    |    |     |        |

|           |   |          |                |          |           |           |            |               |
|-----------|---|----------|----------------|----------|-----------|-----------|------------|---------------|
| <b>41</b> | ii. Quick ratio<br>iii. Gross profit<br>iv. net profit ratio  |          |                |          | <b>8M</b> | <b>L4</b> | <b>CO5</b> | <b>UNIT-V</b> |
|           | Particular  | Amount   | Particular     | Amount   |           |           |            |               |
|           | cash  | 1,00,000 | bill payable   | 25,000   |           |           |            |               |
|           | prepaid expenses  | 10,000   | bank overdraft | 10,000   |           |           |            |               |
|           | bank  | 25,000   | net profit     | 25,000   |           |           |            |               |
|           | closing stock   | 40,000   | sales          | 1,00,000 |           |           |            |               |
|           | debtors   | 25,000   | gross profit   | 40,000   |           |           |            |               |
|           | creditors   | 15,000   |                |          |           |           |            |               |
| <b>42</b> | What are the advantages and limitations of Ratio Analysis? Does ratio analysis really measure the financial performance of a company? |          |                |          | <b>8M</b> | <b>L1</b> | <b>CO5</b> | <b>UNIT-V</b> |

