



Sri Indu

College of Engineering & Technology

UGC Autonomous Institution

Recognized under 2(f) & 12(B) of UGC Act 1956,
NAAC, Approved by AICTE &
Permanently Affiliated to JNTUH



NAAC
NATIONAL ASSESSMENT AND
ACCREDITATION COUNCIL



HANDOUT

III Year I Semester
(R22HMS1212)

Business Economics And Financial Analysis

DEPARTMENT OF ARTIFICIAL INTELLIGENCE AND MACHINE LEARNING

ACADEMIC YEAR 2025-2026



SRIINDUCOLLEGE OF ENGINEERING & TECHNOLOGY

(An Autonomous Institution under UGC, New Delhi)

(Permanently Affiliated to JNTUH, Approved by AICTE, New Delhi and Accredited by NBA, NAAC)
Sheriguda Village, Ibrahimpatnam Mandal, Ranga Reddy Dist. – 501510

DEPARTMENT OF ARTIFICIAL INTELLIGENCE AND MACHINE LEARNING

HANDOUT-INDEX

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SRIINDUCOLLEGE OF ENGINEERING & TECHNOLOGY

B.TECH–INFORMATION TECHNOLOGY

INSTITUTION VISION

To be a premier institution in Engineering & Technology and Management with competency, values and social consciousness.

INSTITUTION MISSION

- IM1** Provide high quality academic programs, training activities and research facilities.
- IM2** Promote Continuous Industry-Institute Interaction for Employability, Entrepreneurship, Leadership and Research aptitude among stakeholders.
- IM3** Contribute to the Economical and technological development of the region, state and nation.

DEPARTMENT VISION

To be a recognized knowledge center in the field of Information Technology with self-motivated, employable engineers to society.

DEPARTMENT MISSION

The Department has following Missions:

- DM1** To offer high quality student centered education in Information Technology.
- DM2** To provide a conducive environment towards innovation and skills.
- DM3** To involve in activities that provide social and professional solutions.
- DM4** To impart training on emerging technologies namely cloud computing and IOT with involvement of stake holders.

PROGRAM EDUCATIONAL OBJECTIVES (PEOs)

- PEO1: Higher Studies:** Graduates with an ability to apply knowledge of Basic sciences and programming skills in their career and higher education.
- PEO2: Lifelong Learning:** Graduates with an ability to adopt new technologies for ever changing IT industry needs through Self-Study, Critical thinking and Problem solving skills.
- PEO3: Professional skills:** Graduates will be ready to work in projects related to complex problems involving multi-disciplinary projects with effective analytical skills.
- PEO4: Engineering Citizenship:** Graduates with an ability to communicate well and exhibit social, technical and ethical responsibility in process or product.

PROGRAM OUTCOMES (POs) & PROGRAM SPECIFIC OUTCOMES (PSOs)

PO	Description
PO1	Engineering Knowledge: Apply the knowledge of mathematics, science, engineering fundamentals, and an engineering specialization to the solution of complex engineering problems.
PO2	Problem Analysis: Identify, formulate, review research literature, and analyze complex engineering problems reaching substantiated conclusions using first principles of mathematics, natural sciences, and engineering sciences.
PO3	Design/development of Solutions: Design solutions for complex engineering problems and design system components or processes that meet the specified needs with appropriate consideration for the public health and safety, and the cultural, societal, and environmental considerations.
PO4	Conduct investigation of complex problems: Use research-based knowledge and research methods including design of experiments, analysis and interpretation of data, and synthesis of the information to provide valid conclusions.
PO5	Modern tool usage: Create, select, and apply appropriate techniques, resources, and modern engineering and IT tools including prediction and modeling to complex engineering activities with an understanding of the limitations.
PO6	The engineer and Society: Apply reasoning informed by the contextual knowledge to assess societal, health, safety, legal and cultural issues and the consequent responsibilities relevant to the professional engineering practice.
PO7	Environment and sustainability: Understand the impact of the professional engineering solutions in societal and environmental contexts, and demonstrate the knowledge of, and need for, sustainable development.
PO8	Ethics: Apply ethical principles and commit to professional ethics and responsibilities and norms of the engineering practice
PO9	Individual and teamwork: Function effectively as an individual, and as a member or leader in diverse teams, and in multidisciplinary settings.
PO10	Communication: Communicate effectively on complex engineering activities with the engineering community and with society at large, such as, being able to comprehend and write effective reports and design documentation, make effective presentations, and give and receive clear instructions.
PO11	Project management and finance: Demonstrate knowledge and understanding of the engineering and management principles and apply these to one's own work, as a member and leader in a team, to manage projects and in multidisciplinary environments.
PO12	Life-long learning: Recognize the need for, and have the preparation and ability to engage in independent and life-long learning in the broadest context of technological change.
Program Specific Outcomes	
PSO1	Software Development: To apply the knowledge of Software Engineering, Data Communication, Web Technology and Operating Systems for building IOT and Cloud Computing applications.
PSO2	Industrial Skills Ability: Design, develop and test software systems for world-wide network of computers to provide solutions to real world problems.
PSO3	Project implementation: Analyze and recommend the appropriate IT Infrastructure required for the implementation of a project.

COURSE OUTCOMES(CO's)

Academic Year: 2025-2026

Class: III YEAR-I SEM AIML.

Course Name: Business Economics and Financial Analysis (R22HMS1212) At

the end of the course, the student will be able to

Course Outcomes(COs)	
C214.1	The students will understand the various Forms of Business and the impact of economic variables on the Business.
C214.2	The interplay of demand and supply is grasping how buyers and sellers interact to determine market prices
C214.3	Production, Cost, Market Structure, Pricing aspects are learnt.
C214.4	The Students can study the firm's financial position by analysing the Financial Statements of a Company.
C214.5	Ratios are used to compare the relative size of two or more quantities, and they can be used to analyze various outcomes in different contexts

COURSE ARTICULATION MATRIX

COs	POs												PSOs		
	PO1	PO2	PO3	PO4	PO5	PO6	PO7	PO8	PO9	PO10	PO11	PO12	PSO1	PSO2	PSO3
C214.1	3	-	1	-	2	-	-	-	-	-	-	-	-	-	-
C214.2	3	-	2	-	3	-	-	-	-	-	-	-	-	1	-
C214.3	1	1	-	3	3	-	-	-	-	-	-	-	-	1	-
C214.4	-	-	1	-	2	-	-	-	-	-	-	-	-	-	-
C215.5	3	3	-	1	-	-	-	-	-	-	-	-	-	-	-
C215.6	-	-	1	1	2	-	-	-	-	-	-	-	-	1	-
C214	2.2	2	1.25	1.67	2.6	-	-	-	-	-	-	-	-	1	-

3: High

2. Medium

1. Low

BUSINESSECONOMICSANDFINANCIALANALYSIS

SRI INDU COLLEGE OF ENGINEERING & TECHNOLOGY
(An Autonomous Institution under UGC, New Delhi)

B.Tech. – III Year – I Semester

L	T	P	C
3	0	0	3

(R22HMS1212)BUSINESS ECONOMICS AND FINANCIAL ANALYSIS

Course Objective: To learn the basic business types, impact of the economy on Business and Firms specifically. To analyze the Business from the Financial Perspective.

Course Outcome: The students will understand the various Forms of Business and the impact of economic variables on the Business. The Demand, Supply, Production, Cost, Market Structure, Pricing aspects are learnt. The Students can study the firm's financial position by analysing the Financial Statements of a Company.

Unit – I: Introduction to Business and Economics

Business: Structure of Business Firm, Theory of Firm, Types of Business Entities, Limited Liability Companies, Sources of Capital for a Company, Non-Conventional Sources of Finance.

Economics: Significance of Economics, Micro and Macro Economic Concepts, Concepts and Importance of National Income, Inflation, Money Supply and Inflation, Business Cycle, Features and Phases of Business Cycle. Nature and Scope of Business Economics, Role of Business Economist, Multidisciplinary nature of Business Economics.

UNIT - II: Demand and Supply Analysis

Elasticity of Demand: Elasticity, Types of Elasticity, Law of Demand, Measurement and Significance of Elasticity of Demand, Factors affecting Elasticity of Demand, Elasticity of Demand in decision making, Demand Forecasting: Characteristics of Good Demand Forecasting, Steps in Demand Forecasting, Methods of Demand Forecasting.

Supply Analysis: Determinants of Supply, Supply Function and Law of Supply.

UNIT - III: Production, Cost, Market Structures & Pricing

Production Analysis: Factors of Production, Production Function, Production Function with one variable input, two variable inputs, Returns to Scale, Different Types of Production Functions.

Cost analysis: Types of Costs, Short run and Long run Cost Functions.

Market Structures: Nature of Competition, Features of Perfect competition, Monopoly, Oligopoly, Monopolistic Competition. **Pricing:** Types of Pricing, Product Life Cycle based Pricing, Break Even Analysis, Cost Volume Profit Analysis.

NIT - IV: Financial Accounting: Accounting concepts and Conventions, Accounting Equation, Double-Entry system of Accounting, Rules for maintaining Books of Accounts, Journal, Posting to Ledger, Preparation of Trial Balance, Elements of Financial Statements, Preparation of Final Accounts (Simple Problems).

UNIT - V: Financial Ratios Analysis: Concept of Ratio Analysis, Importance and Types of Ratios, Liquidity Ratios, Turnover Ratios, Profitability Ratios, Proprietary Ratios, Solvency, Leverage Ratios – Analysis and Interpretation (simple problems).

TEXT BOOKS:



SRIINDUCOLLEGE OF ENGINEERING & TECHNOLOGY
LESSON PLAN
(Regulation: R22)
Department of Cyber Security

Prepared by
 nRev1:
Page: 8 of 3

Sub.Code & Title **R22HMS1212 Business Economics and Financial Analysis**

Academic Year: 2025-26 **Year/Sem./Section** **III-I**

Faculty Name & Designation **T.Madhavi (Asst.Prof)**

Unit/ Item No.	Topic(s)	Book Reference	Page (s)		Teaching Methodology	Proposed No. of Periods	Actual Dateof Handled	CO/ RBT
			From	To				
	UNIT-I							
1	IntroductiontoBusiness&Economics					30		
1.1	StructureofBusinessFirm.	T1	1	11	Blackboard/ppt	02		CO1,L2
1.2	TheoryofFirm	T1	15	16	Blackboard/ppt	02		CO1,L3
1.3	TypesofBusinessEntities	T1	3	4	Blackboard/ppt	02		CO1,L1
1.4	LimitedLiabilityCompanies	T1	111	112	Blackboard/ppt	02		CO1,L2
1.5	SourcesofCapitalforaCompany	T1	112	115	Blackboard/ppt	02		CO1,L2
1.6	Non-ConventionalSourcesofFinance.	T1	115	119	Blackboard/ppt	02		CO1, L2
1.7	SignificanceofEconomics	T1	125	130	Blackboard/ppt	02		CO1, L1
1.8	MicroandMacroEconomicConcepts	T1	130	133	Blackboard/ppt	02		CO1, L4
1.9	ConceptsandImportanceofNational Income	T1	133	135	Blackboard/ppt	02		CO1, L4
1.10	Inflation,MoneySupplyandInflation	T1	141	144	Blackboard/ppt	02		CO1, L4
1.11	BusinessCycle	T1	144	149	Blackboard/ppt	02		CO1, L1
1.12	FeaturesandPhasesofBusinessCycle.	T1	150	158	Blackboard/ppt	02		CO1, L1
1.13	NatureandScopeofBusiness Economics	T1	159	165	Blackboard/ppt	02		CO1, L1
`1.14	RoleofBusinessEconomist,	T1	167	170	Blackboard/ppt	02		CO1, L1
1.15	MultidisciplinarynatureofBusiness Economics.	T1	171	178	Blackboard/ppt	02		CO1, L1
	Review	SignatureoftheHOD/Coordinator						

Unit/ Item No.	Topic(s)	Book Reference	Page (s)	Teaching Methodology	Proposed No. of Periods	Actual Date of Handled	CO/ RBT
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	UNIT-II						
2	Demand and Supply Analysis					13	
2.1	Elasticity of Demand	T1	179	180	Blackboard/ppt	01	CO2,L2
2.2	Elasticity, Types of Elasticity	T1	181	186	Blackboard/ppt	01	CO2,L2
2.3	Law of Demand	T1	187	190	Blackboard/ppt	01	CO2,L2
2.4	Measurement and Significance of Elasticity of Demand	T1	191	194	Blackboard/ppt	01	CO2,L1
2.5	Factors affecting Elasticity of Demand	T1	195	200	Blackboard/ppt	01	CO2,L2
2.6	Elasticity of Demand in decision making	T1	201	210	Blackboard/ppt	01	CO2,L1
2.7	Demand Forecasting	T1	211	225	Blackboard/ppt	01	CO2,L2
2.8	Demand Steps in Demand Forecasting	T1	226	230	Blackboard/ppt	01	CO2,L2
2.9	Methods of Demand Forecasting.	T1	231	240	Blackboard/ppt	01	CO2,L4
3.0	Supply Analysis	T1	241	250	Blackboard/ppt	01	CO2,L2
3.1	Determinants of Supply	T1	251	310	Blackboard/ppt	01	CO2,L4
3.2	Supply Function and Law of Supply	T1	311	330	Blackboard/ppt	02	CO2,L2
	Review	Signature of the HOD/Coordinator					

Unit/ Item No.	Topic (s)	Book Reference	Page (s)		Teaching Methodology	Proposed No. of Periods	Actual Date of Handled	CO/RBT
			From	To				
	UNIT-III							
3	Production, Cost, Market Structures & Pricing					09		
3.1	Production Analysis: Factors of Production	T1	331	340	Blackboard/ppt	02		CO3,L2
3.2	Production Function	T1	341	345	Blackboard/ppt	01		CO3,L3
3.3	Production Function with one variable input,	T1	346	348	Blackboard/ppt	01		CO3,L1
3.4	two variable inputs	T1	349	355	Blackboard/ppt	01		CO3,L1
3.5	Return to Scale,	T1	356	359	Blackboard/ppt	02		CO3,L3
3.6	Different Types of Production Functions	T1	360	370	Blackboard/ppt	01		CO3,L3
3.7	Cost analysis: Types of Costs	T1	371	384	Blackboard/ppt	01		CO3,L3
3.8	Short run and Long run Cost Functions.	T1	385	393	Blackboard/ppt	01		CO3,L3
3.9	Market Structures: Nature of Competition	T1	395	398	Blackboard/ppt	01		CO3,L3
3.10	Features of Perfect competition,	T1	399	401	Blackboard/ppt	01		CO3,L3
3.11	Monopoly	T1	402	404	Blackboard/ppt	01		CO3,L3
3.12	Oligopoly	T1	405	407	Blackboard/ppt	01		CO3,L3
3.13	Monopolistic Competition	T1	408	410	Blackboard/ppt	01		CO3,L3
3.14	Pricing: Types of Pricing	T1	411	412	Blackboard/ppt	01		CO3,L3
3.15	Product Life Cycle based Pricing	T1	412	415	Blackboard/ppt	01		CO3,L3

3.16	BreakEvenAnalysis,	T1	416	418	Blackboard/ppt	01		CO3,L3
3.17	CostVolumeProfitAnalysis.	T1	419	420	Backboard/ppt	01		CO3,L3

Unit/ Item No.	Topic (s)	Book Reference	Page(s)		Teaching Methodology	Proposed No. of Periods	Actual Date of Handled	CO/RBT
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	UNIT-IV							
4	FinancialAccounting:					20		
4.1	Accountingconceptsand Conventions	T1	420	422	Blackboard/ppt	02		CO4,L2
4.2	AccountingEquation	T1	423	431	Blackboard/ppt	02		CO4,L1
4.3	Double-Entrysystemofaccounting.	T1	433	437	Blackboard/ppt	02		CO4,L2
4.4	RulesformaintainingBooksof Accounts	T1	437	445	Blackboard/ppt	02		CO4,L1
4.5	Journal	T1	446	448	Blackboard/ppt	03		CO4,L6
4.6	PostingtoLedger	T1	479	490	Blackboard/ppt	02		CO4,L2
4.7	PreparationofTrialBalance	T1	493	495	Blackboard/ppt	01		CO4,L1
4.9	ElementsofFinancialStatements	T1	500	508	Blackboard/ppt	01		CO4,L1
4.10	PreparationofFinalAccounts(Simple Problems).	T1	509	511	Blackboard/ppt	05		CO4,L1
	Review	SignatureoftheHOD/Coordinator						

Unit/ Item No.	Topic (s)	Book Reference	Page(s)		Teaching Methodology	Proposed No. of Periods	Actual Date of Handled	CO/RBT
	UNIT-V							
5	FinancialRatiosAnalysis					14		
5.1	ConceptofRatioAnalysis	T1	304	305	Blackboard/ppt	01		CO5,L2
5.2	ImportanceandTypesofRatios	T1	306	312	Blackboard/ppt	01		CO5,L2
5.3	LiquidityRatios	T1	323	328	Blackboard/ppt	02		CO5,L2
5.4	TurnoverRatios	T1	323	328	Blackboard/ppt	02		CO5,L2
5.5	ProfitabilityRatios	T1	329	336	Blackboard/ppt	02		CO5,L2
5.6	ProprietaryRatios	T1	337	343	Blackboard/ppt	02		CO5,L2
5.7	SolvencyRatios	T1	343	348	Blackboard/ppt	02		CO5,L3
5.8	LeverageRatiosAnalysisand Interpretation	T1	349	360	Blackboard/ppt	02		CO5,L3
	Review	SignatureoftheHOD/Coordinator						

TEXTBOOK:

1. D.D.Chaturvedi,S.L.Gupta,BusinessEconomics-TheoryandApplications,InternationalBookHousePvt.Ltd.2013.
2. DhaneshKKhatrri,FinancialAccounting,TataMc-GrawHill,2011.
3. GeethikaGhosh,PiyaliGosh,PurbaRoyChoudhury,ManagerialEconomics,2e,TataMcGrawHillEducationPvt.Ltd.2012.

REFERENCESBOOKS:

1. PareshShah,FinancialAccountingforManagement2e,OxfordPress,2015.
2. S.N.Maheshwari,SunilKMaheshwari,SharadKMaheshwari,FinancialAccounting,5e,VikasPublications,2013.

WEBLINKS:**ASSIGNMENT-I**

S.No.	AssignmentQuestions	CourseOutcome	Bookstobe Referred
	Set-1:Rollno's1-5		
1	writethenatureandscopeofBusinesseconomics	CO1	T1
2.	ClassifytheElasticityofDemandandTypesofElasticityof demand	CO2	T1
3.	WhataretheFactorseffectingelasticityofdemand.	CO2	T1
4.	DescribeaboutMicroEconomicandMacroEconomicconcepts.	CO1	T1
5.	WhataretheDifferenttypesofproductionfunctions	CO3	T1
	Set-2:Rollno's6-10		
1	WhatisnationalIncomeanddescribetheConceptsofnational Income.	CO1	T1
2.	whatarethecharacteristicsofgooddemandandforecasting.	CO2	T1
3.	WhataretheMethodsfordemandandforecasting.	CO2	T1
4.	Whatarethefactorsofproductionandfunctions.	CO3	T1
5.	DiscusstheelasticityofDemandinDecisionMaking.	CO2	T1
	Set-3:Rollno's11-15		
1	ClassifytheElasticityofDemandandTypesofElasticityof demand	CO2	T1
2.	WhataretheFactorseffectingelasticityofdemand	CO2	T1
3.	DescribeaboutMicroEconomicandMacroEconomicconcepts		

		CO1	T1
4.	WhataretheDifferentsypesofproductionfunctions	CO3	T1
5.	writethenatureandscopeofBusinesseconomics.	CO1	T1
	Set-4: Rollno's16-20		
1	WhataretheFactorseffectingelasticityofdemand	CO2	T1
2.	DescribeaboutMicroEconomicandMacroEconomicconcepts.	CO1	T1
3.	WhataretheDifferentsypesofproductionfunctions	CO3	T1
4.	writethenatureandscopeofBusinesseconomics.	CO1	T1
5.	ClassifytheElasticityofDemandandTypesofElasticityof demand	CO2	T1
	Set-5: Rollno's21-25		
1	whatarethecharacteristicsofgooddemandandforecasting	CO2	T1
2.	WhataretheMethodsfordemandandforecasting.	CO2	T1
3.	whatarethefactorsofproductionandfunctions.	CO3	T1
4.	DiscusstheelasticityofDemandinDecisionMaking.	CO2	T1
5.	WhatisnationalIncomeanddescribetheConceptsofnational Income.	CO1	T1
	Set-6: Rollno's26-30		
1	WhataretheFactorseffectingelasticityofdemand	CO1	T1
2.	DescribeaboutMicroEconomicandMacroEconomicconcepts.	CO1	T1
3.	WhataretheDifferentsypesofproductionfunctions	CO2	T1
4.	writethenatureandscopeofBusinesseconomics.	CO2	T1
5.	ClassifytheElasticityofDemandandTypesofElasticityof demand	CO3	T1
	Set-7: Rollno's31-35		
1	WhataretheFactorseffectingelasticityofdemand.	CO2	T1
2.	ClassifytheElasticityofDemandandTypesofElasticityof demand	CO2	T1
3.	writethenatureandscopeofBusinesseconomics.	CO1	T1
4.	writethenatureandscopeofBusinesseconomics.	CO1	T1
5.	ClassifytheElasticityofDemandandTypesofElasticityof demand	CO2	T1
	Set-8: Rollno's36-40		
1	whatarethefactorsofproductionandfunctions.	CO3	T1
2.	DiscusstheelasticityofDemandinDecisionMaking.	CO2	T1
3.	WhatisnationalIncomeanddescribetheConceptsofnational Income.	CO1	T1
4.	whatarethecharacteristicsofgooddemandandforecasting.	CO2	T1
5.	WhataretheMethodsfordemandandforecasting.	CO2	T1
	Set-9: Rollno's41-45		

1	WhataretheDifferentsypesofproductionfunctions	CO3	T1
2.	writethenatureandscopeofBusinesseconomics.	CO1	T1
3.	ClassifytheElasticityofDemandandTypesofElasticityof demand	CO2	T1
4.	WhataretheFactorseffectingelasticityofdemand.	CO2	T1
5.	DescribeaboutMicroEconomicandMacroEconomicconcepts	CO1	T1
Set-10:Rollno's46-50			
1	DiscusstheelasticityofDemandinDecisionMaking.	CO2	T1
2.	whatarethecharacteristicsofgooddemandandforecasting.	CO2	T1
3.	WhataretheMethodsfordemandandforecasting.	CO2	T1
4.	whatarethefactorsofproductionandfunctions.	CO3	T1
5.	Describemicroandmacroconcepts.	CO1	T1
Set-11:Rollno's51-55			
1	DiscusstheelasticityofDemandinDecisionMaking.	CO2	T1
2.	Whatisnationalincomeandconceptsofnationalincome?	CO1	T1
3.	whatarethecharacteristicsofgooddemandandforecasting.	CO2	T1
4.	WhataretheMethodsfordemandandforecasting?	CO2	T1
5.	whatarethefactorsofproductionandfunctions.	CO3	T1
Set-12:Rollno's56-63			
1	writethenatureandscopeofBusinesseconomics	CO1	T1
2.	ClassifytheElasticityofDemandandTypesofElasticityof demand	CO2	T1
3.	WhataretheFactorseffectingelasticityofdemand.	CO2	T1
4.	DescribeaboutMicroEconomicandMacroEconomicconcepts.	CO1	T1
5.	WhataretheDifferentsypesofproductionfunctions	CO3	T1

ASSIGNMENT-II

S.N o.	AssignmentQuestions	Courc e Outco me	Books to be Referr ed																				
Set-1:Rollno's1-5																							
1	Whatisthedifferencebetweenmonopolisticcompetitionandpurecompetition?	CO3	T1																				
2	Writetheaccountingconcepts?	CO4	T1																				
3	a) WritetheformatofTrialBalance. b) Prepareatrialbalanceason31-12-214fromthebelowinformation	CO4	T1																				
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">Particulars</td><td style="width: 25%;">Rs</td><td style="width: 25%;">Particulars</td><td style="width: 25%;">Rs</td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> </table>	Particulars	Rs	Particulars	Rs																		
Particulars	Rs	Particulars	Rs																				

	<table> <tr> <td>Sundry Debtors</td><td>32000</td><td>Bills Payable</td><td>7500</td></tr> <tr> <td>Stock</td><td>22000</td><td>Purchases</td><td>218870</td></tr> <tr> <td>Cash in hand</td><td>35</td><td>Cash at bank</td><td>1545</td></tr> <tr> <td>Plant and machinery</td><td>17500</td><td>Sundry creditors</td><td>10650</td></tr> <tr> <td>Trade expenses</td><td>1075</td><td>Sales</td><td>234500</td></tr> <tr> <td>Salaries</td><td>2225</td><td>Carriage outward</td><td>400</td></tr> <tr> <td>Stock</td><td>900</td><td>Discounts (Dr)</td><td>1100</td></tr> <tr> <td>Capital</td><td>79500</td><td>Premise</td><td>34500</td></tr> </table>	Sundry Debtors	32000	Bills Payable	7500	Stock	22000	Purchases	218870	Cash in hand	35	Cash at bank	1545	Plant and machinery	17500	Sundry creditors	10650	Trade expenses	1075	Sales	234500	Salaries	2225	Carriage outward	400	Stock	900	Discounts (Dr)	1100	Capital	79500	Premise	34500		
Sundry Debtors	32000	Bills Payable	7500																																
Stock	22000	Purchases	218870																																
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Trade expenses	1075	Sales	234500																																
Salaries	2225	Carriage outward	400																																
Stock	900	Discounts (Dr)	1100																																
Capital	79500	Premise	34500																																
4	What is profitability Ratio?	CO5	T1																																
5	What are the limitations of ratio? Does Ratio analysis really measure the financial performance of a company?	CO5	T1																																
	Set-2: Roll no's 6-10																																		
1	Distinguish between short and long run cost function.	CO3	T1																																
2	Explain the accounting conventions.	CO4	T1																																
3	Write the journal entries for following transactions Date 2019 Jan 1 Mr. Ram commenced business with Rs. 98000 Jan 2 Cash deposited into state bank of India Rs. 50000 Jan 4 Purchased office furniture for Rs. 10000 paid through bank Jan 5 Purchased goods from Amar Rs. 12000 Jan 7 Purchased goods for cash Rs. 5000 from Ramesh Jan 8 Cash Sales Rs. 11000 Jan 10 Goods sold to Akbar for Rs. 10000 Jan 12 Paid rent by cheque Rs. 4000 Jan 14 Paid to Amar Rs. 6000 on account Jan 15 Goods returned by Akbar Rs. 1000 Jan 16 Goods returned to Amar Rs. 15000 Jan 18 Paid for advertising Rs. 1200 Jan 19 Received from Akbar by cheque Rs. 3000 Jan 21 Loan taken from Raju Rs. 9000 Jan 25 Goods purchased for Rs. 15000, paid by cheque Jan 28 Drawings from bank by Ram Rs. 1500 Jan 31 Salaries paid by cheque Rs. 12000	CO4	T1																																
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5	What are leverage Ratios?	CO5	T1																																
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1	Explain about Break Even Analysis.	CO3	T1																																
2	Classify the accounting equations.	CO4	T1																																
3	Write the journal entries for following transactions Date (2019) March 1 M Ganesh commenced business with cash of Rs. 90000 March 2 Purchased a computer for office use for cash Rs. 10000 March 4 Bought goods from Shankar for Rs. 8000 March 5 Sold goods to Naresh for cash Rs. 12000 March 8 Purchased goods for cash Rs. 5000 from Suresh March 9 Sold goods on credit to Mahesh Rs. 15000 March 11 Paid for printing expenses Rs. 900 March 13 Goods returned to Shankar on account Rs. 600 March 14 Cash Sales Rs. 18000 March 15 Wages paid Rs. 3000 March 17 Mahesh returned goods Rs. 2000 March 18 Paid to Shankar Rs. 3400 on account March 20 Received from Mahesh on account Rs. 7000 March 23 Rent paid Rs. 1500 March 25 Commission received Rs. 1200	CO4	T1																																

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4	WhatisgrossprofitRatioandnetProfitRatio?	CO5	T1																																													
5	BrieflyexplainaboutturnoverRatios?	CO5	T1																																													
	Set-4:Rollno's16-20																																															
1	DescribeaboutmonopolisticcompetitionandOligopolywithexample.	CO3	T1																																													
2	Writethedoubleentrybookkeepingsysteminaccounting?	CO4	T1																																													
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5	WhatareleverageRatios?	CO5	T1																																													
	Set-5:Rollno's21-25																																															
1	WritetheproductLifecyclebasedonpricing?	CO4	T1																																													
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4	What is Ratio Analysis? Explain its Classifications.?	CO4	T1																																													
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	Set-8: Rollno's 36-40																																															
1	Explain Pricing methods	CO3	T1																																													
2	What is Trial Balance and explain format of Trial balance?	CO4	T1																																													

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5	Briefly explain about turnover Ratios?		T1																																												
	Set-9: Rollno's 41-45																																														
1	What is the difference between monopolistic competition and pure competition?	CO3	T1																																												
2	Explain the rules for maintaining books of accounts.	CO4	T1																																												
3	Enter the following transactions in Journal and post them into Ledger. 2017 Jan 1 Mr. Ramesh started business with cash Rs.1,00,000 Jan 2 He purchased furniture for Rs.20,000 Jan 3 He purchased goods for Rs.60,000 Jan 5 He sold goods for cash Rs.80,000 Jan 6 He paid salaries Rs.10,000	CO4	T1																																												
4	Write the importance of Ratio analysis in present scenario of companies.	CO5	T1																																												
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2	Write the double entry bookkeeping system in accounting?	CO4	T1																																												
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5	What are leverage Ratios?	CO5	T1																																												
	Set-11: Rollno's 51-55																																														
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	SRIINDUCOLLEGE OFENG& TECH			
	Question Bank (Regulation:R22) Department ofCyberSecurity			
	Sub.Code&Title	R22HMS1212&BusinessEconomics&Financial Analysis		
	AcademicYear:2023-24	Year/Sem./Section	II/II	
	FacultyName&Designation	T.Madhavi(Asst.Prof)		

BLOOMSTAXONOMYLEVELS

I-Remembering,II-Understanding,III-Applying,IV-Analyzing,V-EvaluatingandVI-Creating.

UNIT-I

(Unit-IMainTitle)

S.No.	MULTIPLECHOICEQUESTIONS		BT Level	Course Outcome
1C1	To carry out any _____andachieveitsobjectiveofearningprofitisrequiredtoallocate resources and coordinate properly. (a)Business (b)Organization (c)Partnership (d)SoleProprietorship	[]	I	CO1
1C2	_____ isaformofbusinessorganizationwhichisengagedinsomebusinessactivities. (a)Business agents (b)BusinessOrganization (c)Business Owner (d)BusinessPartner	[]	I	CO1
1C3	_____ isatypeofbusinessthat isowned,managedandcontrolledbyanindividual. (a) BusinessDeals (b) LimitedLiability (c) SoleProprietorship (d) Alltheabove	[]		I
1C4	The_____ organization,managementandcontrolareassociatedwithasingleindividual. (a)Joint firm (b) Partnership (c) Both(a)and(b) (d) Soletrader	[]		I
1C5	Thewindingupofapartnershipisusuallyreferredtoas, (a)Dissolution (b)Solution (c)Revolution (d)Resolution	[]		II
1C6	The capital of a company is determined by _____ (a)Debenture capital (b) Longtermcapital (c) Shorttermcapital (d) Both(b)and (c)	[]		II
1C7	Equity shares are also known as _____ (a)Deferred shares (b)Preferenceshares (c)Ordinary shares (d)Both(a)and(b)	[]	I	CO1
1C8	WhoisthefatherofEconomics? (a) MaxMuller (b) AdamSmith (c) KarlMax (d) Noneoftheabove	[]	I	CO1
1C9	Indian Economy is, (a)Socialist economy (b)Gandhianeconomy (c) Mixedeconomy (d) Free economy	[]	I	CO1
1C10	Multipleprocessineconomictheoryisconventionallytakentomean_____ (a) Themannerinwhichpricesincreases (b) Themannerinwhichbankscreatecredit (c) Themannerinwhichgovernmentexpenditureincrease (d) Incomeofaneconomygrowsanaccountofaninitialinvestment	[]	II	CO1
1C11	Thebookwhichisatthecenterpriceofthestudyofmacroeconomicswaswrittenby, (a) Prof.J.M.Keynes (b) Prof.Benham (c) Prof.Samuelson (d) Prof.Baumol	[]	I	CO1

1C12	Which branch of economic studies about unemployment, illiteracy, national income tax? (a) Microeconomics (b) Macroeconomics (c) Wealth economics (d) Fiscal economics	[]	I	CO1
1C13	The business economic theory is concerned with the management techniques to achieve _____ (a) Maximization of total revenue from sales (b) Maximization of cost of production (c) Maximize profit from the business unit (d) All the above	[]	II	CO1
1C14	Which of the following are concepts of national income, (a) Gross National product (b) Net National Product (c) Per Capital Income (d) All the above	[]	I	CO1
1C15	Multidisciplinary nature of business economics deals, (a) Mathematics (b) Accounting (c) Statistics (d) All the above	[]	II	CO1
S.No.	FILL IN THE BLANKS QUESTIONS		BT Level	Course Outcome
1F1	Business Economics mainly deals with the _____ behavior of the firm.			CO1
1F2	In Economics, resources are scarce, but _____ are limited			CO1
1F3	Micro Economics is also called as _____.			CO1
1F4	_____ is a work related to production, buying, selling of goods and services		I	CO1
1F5	_____ is a single person, owns, manages and controls all the activities of the business.		I	CO1
1F6	According to the partnership act, partnership is a relationship between _____ who have agreed to share the profit of the business carried on by all or any of the acting of fall.		I	CO1
1F7	A _____ is an artificial person, created by law with a fixed capital divisible into transferable succession and common seal.		I	CO1
1F8	A company which controls another company is called _____.		I	CO1
1F9	_____ is a source of capital requirement for a period of more than 5 to 20 years.		I	CO1
1F10	Short-term source of finance is also known as _____.		II	CO1
1F11	The goal of _____ provides safety nets in the economy like unemployment, insurance, disaster relief programs.		I	CO1
1F12	Micro Economics is concerned with the study of _____.		I	CO1
1F13	Managerial Economics is concerned with the application of _____ and _____ to business.		I	CO1
1F14	The fluctuations in the economic activities are called _____.		I	CO1
1F15	The market value of all final goods and services produced in a country in a year is called _____.		I	CO1
S.No.	MATCH THE FOLLOWING QUESTIONS		BT Level	Course Outcome
1M1	Match the following: (A) Business Economics 1) Study of Individual unit (B) Micro 2) Micro and Macro Economics (C) Macro 3) Managerial Economics (D) Ragner Frisch 4) Economy as Whole		I	CO1
1M2	Match the following: (A) Limited Liability Company 1) DI = PI – Direct Taxes (B) Net National Product 2) Artificial Company (C) Disposable Income 3) GDP = C + I + G + NX (D) Gross Domestic Product 4) NNP = GNP - Depreciation		I	CO1
1M3	Match the following; (A) Expansion 1) Lowest Point (B) Recession 2) Small rise (C) Depression 3) Highest point (D) Recovery 4) Small fall		I	CO1

1M4	Match the following; (A) Business (B) Adam Smith (C) Sole proprietorship (D) Partnership	1) Individual 2) Profit 3) Agreement between two or more persons 4) Father of Economics	I	CO1
1M5	Match the following; (A) Profit Maximization Theory (B) Baumol's Theory of Sales Revenue Maximization (C) Marris's theory of Growth Maximization (D) Behavioral Theories	1) maximization of sales revenue 2) satisfactory behavior 3) Profit = Total revenue – total 4) balanced growth of the firm	I	CO1
S.No.	DESCRIPTIVE QUESTIONS		BT Level	Course Outcome
1D1	Define structure of business firm?		I	CO1
1D2	Classify theory of firm?		IV	CO1
1D3	Classify types of business entities?		IV	CO1
1D4	Explain about partnership deed?		V	CO1
1D5	Discuss a short note on a joint stock company?		VI	CO1
1D6	Explain the sources of raising capital?		V	CO1
1D7	Explain about sources of raising short term Capital?		II	CO1
1D8	What are non-conventional sources of finance?		I	CO1
1D9	Write about the significance of economics?		I	CO1
1D10	Explain micro and macro economics of present scenario of Indian companies.		V	CO1
1D11	Explain about national income and concepts of national income		II	CO1
1D12	What is inflation and write the features of inflation and types of inflation?		I	CO1
1D13	What is the business cycle and write about the Tata company business cycle.		I	CO1
1D14	Explain the nature and scope of business economics?.		V	CO1
1D15	Evaluate the role of a business economist?		V	CO1

BLOOMSTAXONOMYLEVELS**I-Remembering,II-Understanding,III-Applying,IV-Analyzing,V-EvaluatingandVI-Creating.****UNIT–II****(Unit-II Main Title)**

S.No.	MULTIPLECHOICEQUESTIONS		BT Level	Course Outcome
2C1	The shape of the demand curve is _____. (a) downward sloping (b) upward-sloping (c) vertical (d) horizontal	[]	I	CO2
2C2	When the restaurant that serves fast food increases in the number, this leads to _____. (a) An increase in fast-food meals supply (b) the growth in fast-food meal demand (c) a growth in the demand for substitutes for such meals (d) increase in the rate of such meals	[]	I	CO2
2C3	Many of the supply curve _____ due to increases in marginal cost. (a) is vertical (b) is horizontal (c) has a positive slope (d) has a negative slope	[]	I	CO2
2C4	6. What will be the supply when the price change is by 1%, and the change in supply is by 2%? (a) indeterminate (b) elastic (c) inelastic (d) static	[]	I	CO2
2C5	What will happen if the rate of complementary goods has a downward fall or there's an increase in consumer income? (a) the product's demand curve shifts toward the right (b) the product's supply curve shifts toward the right (c) the product's supply curve shifts toward the right (d) the product's demand curve shifts toward the right	[]	I	CO2
2C6	The relation of _____ is by the law of demand. (a) the quantity and price of commodity (b) the price and income of commodity (c) demand, quantity and demand-supply of commodity (d) income and demand quantity of a commodity	[]	I	CO2
2C7	When the total revenue from product and the price moves in the same direction, then the demand is _____. (a) elastic (b) perfectly elastic (c) unrelated (d) inelastic	[]	I	CO2
2C8	The supply curve will be _____ when the supply elasticity is greater than one. (a) horizontal (b) vertical (c) touching y-axis (d) passing through the origin	[]	I	CO2

2C9	Without changing the price _____ move to arise in commodity supply. (a) fall in the supply (b) decrease in the supply (c) the rise in the supply (d) expansion in the supply	[]	I	CO2
2C10	24. Out of these scenarios, which won't lead to a demand change for the product? (a) a switch in consumer taste (b) increase in consumer income (c) changes in the price (d) none of these	[]	I	CO2
2C11	26. The demand curve that's horizontal and parallel to the x-axis shows the elasticity of demand to be _____. (a) infinite (b) zero (c) greater than zero (d) equal to one	[]	I	CO2
2C12	27. Which of these doesn't lead to a change in the demand curve? (a) advertisement (b) price of product (c) income (d) related product price	[]	I	CO2
2C13	28. An increase in income in the countries that are developing leads the curve of demand shift to _____. (a) up (b) down (c) left (d) right	[]	I	CO2
2C14	29. Coffee and tea are _____ types of goods. (a) complimentary (b) substitute (c) normal (d) inferior	[]	I	CO2
2C15	31. Mention the responsible factor in demand for any natural resource? (a) increase in human population (b) scientific advancement (c) environmental pollution (d) use of biodegradable resources	[]	I	CO2
S.No.	FILL IN THE BLANKS QUESTIONS		BT Level	Course Outcome
2F1	Demand is the _____, _____, and _____ to buy a product.		II	CO2
2F2	_____ refer to predicting consumer future demand for a product.		I	CO2
2F3	_____ a list that shows the various quantities demanded of a particular product at all prices that might prevail in the market at a given time.		I	CO2
2F4	The graphical representation of the demand schedule _____.		I	CO2
2F5	Demand curves are always _____ sloping.		I	CO2
2F6	According to the law of demand, when price goes up, demand goes _____ and when price goes _____, demand goes up.		I	CO2
2F7	A change in quantity demanded results in movement _____ the demand curve Along.		I	CO2

2F8	A change in _____ results when people are willing to buy different amounts of the product at the same prices.	I	CO2
2F9	The demand forecasting which can be done during a time period of one year is called _____.	I	CO2
2F10	A left shift in the demand curve indicates a _____ in demand.	I	CO2
2F11	Coffee and Tea work as _____ for one another. an _____ in the price of one lead to an _____ in demand for the other.	II	CO2
2F12	The way people think about the future and make decisions is called a _____ which can influence the demand curve.	I	CO2
2F13	Prices and quantities are said to have a direct relationship because they move in the _____ direction.	I	CO2
2F14	The supply curve is always _____ sloping.	I	CO2
2F15	A _____ shift indicates an increase in supply and a _____ shift indicates a decrease in supply.	I	CO2
S.No.	MATCH THE FOLLOWING QUESTIONS	BT Level	Course Outcome
2M1	Match the following; a) Demand Curve b) Price Determination c) No. of buyers and sellers d) wants 1) Unlimited 2) Downwards 3) Interplay of Market forces 4) Perfect	I	CO2
2M2	Match the following; a) Demand b) Demand is said to exist c) Law of Demand Relationship between d) Exception to Law of Demand 1) Desire to purchase 2) Desire for an object 3) Giffen Paradox 4) Price and Quantity	I	CO2
2M3	Match the following; a) Elastic Demand b) In Elastic Demand c) Perishable Goods d) Inferior Goods 1) Fruits, Meat Vegetables 2) Cheap Goods or Ordinary Goods 3) Small Change in Price, Big Change in Quantity 4) Big Change in Price Small Change in Quantity	I	CO2
2M4	Match the following; a) Demand Forecasting b) Survey Methods c) Statistical method d) Supply Graph 1) sales force opinion 2) Trend line by observation 3) Predicting or expecting 4) Short run Forecasting	I	CO2
2M5	Match the following; a) Determinants of Supply b) Law of Supply c) Supply curve or Supply Schedule d) Supply Graph Shows 1) Price of something goes up 2) Relationship between supply and price 3) Upward Sloping 4) Cost of inputs or factors	I	CO2
S.No.	DESCRIPTIVE QUESTIONS	BT Level	Course Outcome
2D1	What is Demand Analysis? Explain Demand Functions.	I	CO2
2D2	Define Law of Demand?	I	CO2
2D3	Classify Law of Demand Exceptions?	VI	CO2
2D4	Explain the determination of Demand.	II	CO2
2D5	Classify the Elasticity of Demand and Types of Elasticity of demand.	V	CO2
2D6	Describe the measurement of Elasticity of Demand.	II	CO2
2D7	Discuss the elasticity of Demand in Decision Making.	VI	CO2
2D8	What is demand forecasting?	I	CO2
2D9	Explain Characteristics of good Demand Forecasting.	II	CO2
2D10	Explain the steps in Demand Forecasting	V	CO2
2D11	Classify the Methods of Demand Forecasting.	IV	CO2
2D12	Discuss the Factors governing Demand Forecasting.	VI	CO2
2D13	Explain the Determination of Supply.	II	CO2
2D14	What are the Supply factors?	I	CO2
2D15	Explain the Law of Supply.	II	CO2

BLOOMSTAXONOMYLEVELS

I-Remembering,II-Understanding,III-Applying,IV-Analyzing,V-EvaluatingandVI-Creating.

UNIT-III

(Unit-III Main Title)

S.No.	MULTIPLECHOICEQUESTIONS		BTLevel	Course Outcome
3C1	Howmanytypesofproductionfunctionthere are (a) ThreeTypes (b) FourTypes (c) SixTypes (d) TwoTypes	[]	I	CO32023-24
3C2	Thecostofonethingintermsofthealternativegiveupiscalled_____ A)RedCost B)ProductionCost C)Physicalcost D)OpportunityCost	[]	I	CO3
3C3	Factorofproductionare, (A) Inputsintothe production process (B) Weather,socialandpoliticalconditionsthataffectproduction. (C).Thephysicalrelationshipsbetweeneconomicinputsandoutputs. (D)Themathematicalcalculationsfirmsmaketodetermineproduction.	[]	I	CO3
3C4	Theopportunitycostofanitem is, (B)Thenumberofhoursneededtoearnmoneytobuy it. (B)Whatyougive-up togetthatitem. (C)Alwayslessthantherupeesvalueoftheitem. (D)Alwaysequaltotherupeesvalueoftheitem.	[]	I	CO3
3C5	Inwhichofthefollowingmarketstructureisthedegreeofcontroloverthepriceofitsproductbya firm very large? A)ImperfectcompetitionB)perfectcompetition C) Monopoly D)(A)nand(B)	[]	I	CO3
3C6	Productionfunctionisalsoknown as, A)Input-cotrelationship B)Input-outputrelationship C)Output-inputrelationship D)Output-costrelationship	[]	II	CO3
3C7	Productionfunctioncanbedividedinto_____stage. A)Two B)Three C)Four D)Five	[]	II	CO3
3C8	Whichofthefollowingisafactoraffectingproduction? (A)Fixedinputs.(B)Variableinputs. (C)Technology.(D)Alloftheabove.	[]	I	CO3
3C9	Under___ priceisdeterminedbytheinteractionoftotaldemandandtotalsupply in the market. (A)Perfectcompetition.(B)Monopoly. (C)Imperfectcompetition.(D)Alloftheabove.	[]	I	CO3
3C10	Undertheperfectcompetition,priceisdeterminedbytheinteractionoftotaldemand and _____. (A)Totalsupply. (B)Totalcost. (C)Totalutility.(D)Totalproduction.	[]	I	CO3
3C11	Oligopolysisatypeof_____Market.A ___existsintheindustry. A)Perfect,fewfirms (B)Imperfect,fewfirms C)Perfectmanyfirms (D)Imperfect,manyfirms	[]	I	CO3
3C12	Afirminmonopolisticcompetitionincreasesitsexpenditureonmarketingitsproduct. What will it not be able to achieve as a result? (A)Ahighersellingprice. (B)Amoredifferentialproduct. (C)Ahigherlong-runprofit. (D)Amoreinelasticdemand.	[]	I	CO3
3C13	Whatarethefactorsofproduction. A)Land,Labour (B)Enterprise C) Capital (D)AlltheAbove	[]	I	CO3
3C14	Whichofthefollowingarethethecharacteristicsofbreak-evenpoint? A)ThereisnolossandnoprofittothefirmsB)Totalrevenueisequaltototal cost C)Contributionisequaltofixedcost D)Alltheabove	[]	I	CO3
3C15	Breakevenanalysisreferstothestudyof_____analyses. A) Costvolumeprofit B)Cost outputprofit B) Costinputexpenses D)Costpricemargin	[]	I	CO3
S.No.	FILLINTHEBLANKSQUESTIONS		BTLevel	Course Outcome

3F1	isthetransformationofinputintotheoutputofcommodityinaspecificperiodoftimeatthegiven stateoftechnology.	I	CO3
3F2	Themaximumquantityofagoodsorservicesthatcanbeproducedbyasetofinputisconsidered as ____.	I	CO3
3F3	_____referstothe costperunitofoutputassuminghetproductionofeachunitofoutputincurs the samecost.	I	CO3
3F4	Thecostofbestalternativeforegoneiscalled_____.	I	CO3
3F5	Whentheproductionvolumeincreasesthenthe_____alsoincreases.	I	CO3
3F6	_____isamarketstructureinwhichproducerorcommodityishomogeneous.	I	CO3
3F7	Whenaveragecostbeginstorise,marginalcostis_____homogeneous.	I	CO3
3F8	The_____cutsthroughthelowestpointofaveragevariableandaverage totalcostcurves.	I	CO3
3F9	_____arethecostthatdonotvarywiththechangesinoutput.	I	CO3
3F10	_____istheimportantformofImperfectcompetition.	II	CO3
3F11	_____referstoasituationwheretherearemanysellersofadifferentialproduct.	I	CO3
3F12	_____referstothe studyofcostvolumeprofitanalysis.	I	CO3
3F13	_____Iconcernedwiththedeterminationofparticularvolumeatwhichfirm'scostwillbeequalto itsrevenuesprofit.	I	CO3
3F14	Thepointofnoprofitorno lossisdetermined as _____.	I	CO3
3F15	_____examinestheinteractionsof a firmssalesvolume, sellingprice, coststructuresandprofitability.	I	CO33
S.No.	MATCHTHEFOLLOWINGQUESTIONS	BTLevel	Course Outcome
3M1	Matchthefollowing; A) Production1)Q=f(L1,L2,C,O, T) B) Isoquant 2)Q=aL ^b K ^c C) ProductionFunction 3)DownwardSloping D) Cobb-Douglas 4)Inputintooutput	I	CO3
3M2	MatchtheFollowing; A) Cost 1)Labour,Material,Plant B) Outlaycost 2)FixedcostandVariable cost C) TotalCost 3) Expenditure D) Marginalcost 4)Additionalunitofoutput	I	CO3
3M3	Matchthefollowing; A) LAC 1)ShortRunAverageCost B) AVC 2)AverageTotalCost C) SAC 3)LongRunAverage Cost D) ATC 4)AverageFixedCost	I	CO3
3M4	Matchthefollowing; A) Market 1)Alargenumberofbuyersandsellers B) PerfectCompetition 2)SingleSeller C) Monopoly 3)FewSellers D) Oligopoly 4)IsaPlace	I	CO3
3M5	Matchthefollowing; A) Competitionbasedpricing 1)SkimmingPricing B) Demandbasedpricing 2)Fullcostpricing C) Strategybasedpricing 3)sealedbidpricing D) Costbasedpiecing 4)PriceDiscrimination	I	CO33
S.No.	DESCRIPTIVEQUESTIONS	BTLevel	Course Outcome
3D1	Writethefactorsofproductionandexplainitbriefly.	I	CO3
3D2	Explainproductionfunctionwithone-variableinput.	II	CO3
3D3	Whatisthedifferencebetweenmonopolisticcompetitionandpurecompetition?	I	CO3
3D4	Distinguishbetweenshortandlongruncostfunction.	IV	CO3
3D5	ExplainaboutBreakEvenAnalysis.	II	CO3
3D6	DescribeaboutmonopolisticcompetitionandOligopolywithexample.	II	CO3
3D7	Writetheproductlifecyclebasedonpricing?	I	CO3
3D8	ExplainReturntoScale.	II	CO3
3D9	WritetheShortRunandLongRunCostFunction.	I	CO3
3D10	ExplainPricingmethods.	V	CO3
3D11	Fromthefollowingdata,Calculate, A)P/V Ratio B)ProfitwhensalesareRs.20000 Fixed expenses Rs.4000, Break-even point Rs.10000	II	CO3

3D12	What are the features of perfect competition.?	I	CO3												
3D13	Srikanth Enterprises deals in the supply of hardware parts of computer. The following cost data is available for two successive periods. <table><tr><td></td><td>YEAR I (Rs)</td><td>YEAR II (Rs)</td></tr><tr><td>Sales</td><td>50000</td><td>120000</td></tr><tr><td>Fixed costs</td><td>10000</td><td>20000</td></tr><tr><td>Variable cost</td><td>30000</td><td>60000</td></tr></table> Determine: 1. Break -even point, 2. Margin of safety		YEAR I (Rs)	YEAR II (Rs)	Sales	50000	120000	Fixed costs	10000	20000	Variable cost	30000	60000	V	CO3
	YEAR I (Rs)	YEAR II (Rs)													
Sales	50000	120000													
Fixed costs	10000	20000													
Variable cost	30000	60000													
3D14	What is monopoly and explain with example?	I	CO3												
3D15	Explain about cost volume profit analysis with example.	V	CO3												

BLOOMSTAXONOMY LEVELS				
I-Remembering, II-Understanding, III-Applying, IV-Analyzing, V-Evaluating and VI-Creating.				
<u>UNIT-IV</u>				
<u>(Unit-IV Main Title)</u>				
S.No.	MULTIPLE CHOICE QUESTIONS	BT Level	Course Outcome	
4C1	Which of the following statement is correct? a) Assets – Capital = Liabilities b) Liabilities + Assets = Capital c) Liabilities + Capital = Assets d) Assets – Liabilities = Capital	[]	I	CO4
4C2	_____ Account is a capital means of controlling the stock at branch Brach a) accounts b) Expenses account c) Expense account d) None of the above	[]	I	CO4
4C3	The system of keeping incomplete record is known as, a) Single entry b) Double entry c) Dual entry d) None of the above	[]	II	CO4
4C4	Under single entry system sales are computed by adding _____ a) Cash sales and cash received from debtors. b) Cash sales and credit sales. c) Credit sales and cash received from debtors. d) None of the above.	[]	I	CO4
4C5	Profit as per accounts from incomplete records may be construed as equivalent of, a) Excess of asset over liabilities at close of period. b) Excess of capital at the end over the capital at beginning. c) Excess of asset over liabilities at the commencement of period. d) Excess of capital at the beginning over capital at the end.	[]	I	CO4
4C6	Accounting concepts include certain basic _____ a) Account. b) Transactions. c) Assumptions. d) None of these.	[]	II	CO4
4C7	Accounting equation is developed with the help of,	[]	I	CO4

	a) Money measurement concept. b) Dual aspect concept. c) Revenue realization concept: d) Historical cost concept.			
4C8	Accounting principles are based on, a) Convenience in accounting. b) Objectivity. c) Subjectivity. d) Practicability.	[]	II	CO4
4C9	Normally assets are recorded at cost price. This is because of, (a) Going concern concept (b) Historical concept. (c) Both concepts. (d) None of these.	[]	II	CO4
4C10	The amount of cash received from debtors can be computed from either from the cash book. (a) Bills receivable A/c. (b) Debtors A/c. (c) Balance sheet. (d) None of these.	[]	I	CO4
4C11	Only personal accounts are kept in _____ system (a) Pure single-entry system. (b) Simple single-entry system. (c) Quasi single entry system. (d) None of these.	[]	I	CO4
4C12	Profit is only an estimate in this system. (a) Nominal system. (b) Double entry system. (c) Single entry system. (d) None of these.	[]	I	CO4
4C13	The comparison of one accounting period with that of the past is possible when none of the concepts given is followed, (a) Cost. (b) Consistency. (c) Going concern. (d) Matching.	[]	I	CO4
4C14	Sales + Closing stock - Purchases (a) Purchases returns.	[]	I	CO4

	(b) Salesreturns. (c) Costofgoodssold. (d) Openingstock.			
4C15	Transactionbetweenbranchesiscalled_____	[]	I	CO4
	(a) InterBranchTransaction. (b) Branchtransaction (c) InternalBranch (d) Noneofthese			
S.No.	FILLINTHEBLANKSQUESTIONS		BT Level	Course Outcome
4F1	aretheamountsofcashorotherassetstakenbytheownerfromthebusinessforpersonaluse.		I	CO4
4F2	Theexcessofofcurrentassetsovercurrentliabilitiesiscalled_____		I	CO4
4F3	istheprocesswhichprovidesinformationneededasabasisofmakingbusinessdecisions.		II	CO4
4F4	areassetswhicharepurchasedforpermanentuseinthebusiness.		I	CO4
4F5	accountshavetheirexistenceevenafterthecloseoffaccountingyear.		I	CO4
4F6	Balancesheetisastatementofassetsand_____ofabusiness.		I	CO4
4F7	Balancesheetispreparedtoknowthe _____ofabusinessentity.		I	CO
4F8	Currentassetsaremoreliquidthan_____ assets.		I	CO4
4F9	Currentliabilitiesareliabilitiesthatrepayablewithin_____		I	CO4
4F10	Theclaimsofcreditorsagainsttheassetsofabusinessaresaidtobe_____		II	CO4
4F11	Assetsthosecanbeconvertedintocashwithineveryoneyearoftheoperatingcyclearecalled_____		I	CO4
4F12	Twotypesoftransactionsare_____		II	CO4
4F13	Recordingtwoaspectsofeachtransactionisknownas _____system.		I	CO4
4F14	The difference between assets and liabilities represents _____		II	CO4
4F15	istheinterestofownersinabusiness.		I	CO4
S.No.	MATCHTHEFOLLOWINGQUESTIONS		BT Level	Course Outcome
4M1	Matchthefollowing; A) Creditors 1)WhomanagestheBusiness B) Managers 2) Lenders C) Proprietor 3)Goodswithdrawnfromthebusiness D) Drawings 4) Owners		I	CO4
4M2	Matchthefollowing; A) Accounting 1)Verificationofthebooksofaccount B) Bookkeeping 2)Interestedinbuyingtheshares C) Auditing 3)Widerscope D) Drawings 4)It has limited scope		I	CO4
4M3	Matchthefollowing; A) PersonalAccount 1)Liabilities+Equity B) NominalAccount 2)HMTLtdA/C C) RealAccount 3)SalariesA/C D) Assets 4)Furniture/C		I	CO4
4M4	Matchthefollowing; A) Assets-Liabilities 1)Containsvariousaccounts B) Journal 2)Recordscreditsales C) Salesbook 3)Adaybook D) Ledger 4)Ownersequity		I	CO4
4M5	Matchthefollowing; A) RBC 1)Sales-salesreturns B) AllAssets 2)ReserveforBad Debt C) AllLiabilities 3)DebitBalance D) NetSales 4)CreditBalance		I	CO4
S.No.	DESCRIPTIVEQUESTIONS		BT Level	Course Outcome
4D1	Writetheaccountingconcepts?		I	CO4
4D2	Explaintheaccountingconventions.		II	CO4
4D3	Classifytheaccountingequations.		VI	CO4
4D4	Writethedoubleentrybookkeepingsystemin accounting?		I	CO4
4D5	Explaintherulesformaintainingbooksofaccounts.		II	CO4
4D6	What is journal and explain the procedure to follow then posting journal.		I	CO4
4D7	Writethejournalentriesforfollowingtransactions		I	CO4

	Date(2019) March 1 Mr.GaneshcommencedbusinesswithcashofRS.90000 March 2 Purchased a computer for office use for cash Rs.10000 March 4 Bought goods from Shankar for Rs.8000 March 5 Sold goods to Naresh for cash Rs.12000 March 8 Purchased goods for cash Rs.5000 from Suresh March 9 Sold goods on credit to Mahesh Rs.15000 March 11 Paid for printing expenses Rs.900 March 13 Goods returned to Shankar on account Rs.600 March 14 Cash Sales Rs.18000 March 15 Wages paid Rs.3000 March 17 Mahesh returned goods Rs.2000 March 18 Paid to Shankar Rs.3400 on account March 20 Received from Mahesh on account Rs.7000 March 23 Rent paid Rs.1500 March 25 Commission received Rs.1200 March 28 Paid Salaries Rs.5000 March 30 Ganeshtaken Rs.1000 for personal expenses March 31 Goods taken for personnel use Rs.800		
4D8	Write the journal entries for following transactions Date 2019 Jan 1 Mr. Ram commenced business with Rs.98000 Jan 2 Cash deposited into state bank of India Rs.50000 Jan 4 Purchased office furniture for Rs.10000 paid through bank Jan 5 Purchased goods from Amar Rs.12000 Jan 7 Purchased goods for cash Rs.5000 from Ramesh Jan 8 Cash Sales Rs.11000 Jan 10 Goods sold to Akbar for Rs.10000 Jan 12 Paid rent by cheque Rs.4000 Jan 14 Paid to Amar Rs.6000 on account Jan 15 Goods returned by Akbar Rs.1000 Jan 16 Goods returned to Amar Rs.15000 Jan 18 Paid for advertising Rs.1200 Jan 19 Received from Akbar by cheque Rs.3000 Jan 21 Loan taken from Raju Rs.9000 Jan 25 Goods purchased for Rs.15000, paid by cheque Jan 28 Drawings from bank by Ram Rs.1500 Jan 31 Salaries paid by cheque Rs.12000	I	CO4
4D9	Enter the following transactions in Journal and post them into Ledger. 1. Entertainment expenses Rs.1000 2. Madhu commenced business with cash Rs.100000 3. cheque deposited in bank Rs.2000	IV	CO4
4D10	Enter the following transactions in Journal and post them into Ledger. 2017 Jan 1 Mr. Ramesh started business with cash Rs.1,00,000 Jan 2 He purchased furniture for Rs.20,000 Jan 3 He purchased goods for Rs.60,000 Jan 5 He sold goods for cash Rs.80,000 Jan 6 He paid salaries Rs.10,000	IV	CO4
4D12	Prepare final account from the following balance sheet.	III	CO4

Paticulars	Debit	Credit
Furniture	640	-
Building	6250	-
Plant and Machinery	7500	-
Stock	3400	-
Purchases	6000	-
Advertising	1000	-
Cash	1200	-
Salaries	3000	-
Insurance	800	-
Debtors	2000	-
Capital	-	12500
Sales	-	15000
Creditors	-	4290
Total	31790	31790

Adjustments:

- 1) Closing stock 2000
- 2) Depreciation on Building @ 5%
- 3) Salaries Outstanding Rs. 300
- 4) Insurance Prepaid Rs. 100
- 5) Interest on Capital @ 5%
- 6) Bad Debts Rs. 100

4D13

Prepare final account from the following balance sheet.

III

CO4

PARTICULARS	DEBITORS	CREDITORS
Cash in hand	3000	--
Purchases	40000	--
Sales Returns	500	--
Wages	5000	--
Salaries	3200	--
Opening Stock	22000	--
Carriage inward	800	--
Carriage outward	1200	--
Buildings	25000	--
Machinery	15000	--
Insurance	700	--
Sundry Debtors	8000	--
Bills Receivables	5600	--
Capital	--	50000
Sales	--	72000
Purchase Returns	--	300
Creditors	--	4000
Bills Payables	--	3700
Total	130000	130000

Adjustments:

- 1) Closing Stock 26000
- 2) Outstanding Salaries 550
- 3) Bad debts 600
- 4) Provision for Bad Debts @ 5%
- 5) Prepaid Insurance 200
- 6) Depreciation on Machinery 700
- 7) Depreciation on Building 1200

4D14

What is Trial Balance and explain format of Trial balance?

I

CO4

4D15

- c) Write the format of Trial Balance.
- d) Prepare trial balance as on 31-12-214 from the below information

III

CO4

Particulars	Rs	Particulars	Rs
Sundry Debtors	32000	Bills Payable	7500
Stock	22000	Purchases	218870

	Cashinhand	35	Cashatbank	1545			
	Plantandmachinery	17500	Sundrycreditors	10650			
	Tradeexpenses	1075	Sales	234500			
	Salaries	2225	Carriageoutward	400			
	Stock	900	Discounts(Dr)	1100			
	Capital	79500	Premise	34500			

BLOOMSTAXONOMYLEVELS						
I-Remembering,II-Understanding,III-Applying,IV-Analyzing,V-EvaluatingandVI-Creating.						
UNIT–V						
(Unit-VMainTitle)						
S.No.	MULTIPLECHOICEQUESTIONS			BT Level	Course Outcome	
5C1	Determinestockturnoverratioif,openingstockisRs.31,000,Closingstockis29,000,Salesis 3,20,000 and Gross profit ratio is 25% on sales. (a) 31times. (b) 11times. (c) 8times. (d) 32times.			V	CO5	
5C2	DetermineDebtorsturnoverratioif,closingdebtorsisRs40,000,Cashsalesis25%ofcreditsalesand excess of closing debtors over opening debtors is Rs 20,000. (a) 4times. (b) 2times. (a) 6times. (c)8times.			V	CO5	
5C3	Quickratiois1.8:1,currentratiois2.71andcurrentliabilitiesare60,000.Determinevalueofstock. (a) 54,000 (b) 60,000 (c) 1,62,000 (d) Noneofthe above.			V	CO5	
5C4	Whichofthefollowingisnotincludedincurrentassets? (a) Debtors. (b) Stock. (c) Cashatbank. (d) Cashinhand.			I	CO5	
5C5	Collectionofdebtors, (a) Decreasescurrentratio. (b) Increasescurrentratio. (c) Hasnoeffectoncurrentratio. (d) Noneofthe above.			I	CO5	
5C6	Highertheratio,themorefavorableitis,doesn'tstandtruefor,			I	CO5	

	(a) Operatingratio. (b) Liquidityratio. (c) Netprofitratio. (d) Stockturnoverratio.			
5C7	Liquidassetsaredeterminedby, (a) Currentassets-Stock-Prepaidexpenses (b) Currentassets+stock+prepaidexpenses (c) Currentassets+Prepaidexpenses (d) Noneofthe above.	[]	V	CO5
5C8	Debt-equityratioisasub-part of, (a) Short-termsolvencyratio. (b) Long-termsolvencyratio. (c) Debtors'turnoverratio. (d) Noneofthe above.	[]	I	CO5
5C9	Currentratioisstatedasacruderatiobecause, (a) Itmeasuresonlythequantityofcurrentassets. (b) Itmeasuresonlythequalityofcurrentassets. (c) Bothaand b. (d) Offeringsdimension.	[]	II	CO5
5C10	Whichratioisconsideredassafemarginofsolvency? (a) Liquidratio. (b) Quickratio. (c) Currentratio. (d) Noneofthe above.	[]	I	CO5
5C11	Workingcapitalturnoverratioicanbedeterminedby, (a) (GrossProfit/Workingcapital) (b) (Costofgoodssold/Netsales) (c) (Costofgoodssold/Workingcapital) (d) Noneofthe above.	[]	I	CO5
5C12	Stockvelocityestablishesarelationshipbetween. (a) Costofgoodssoldinagiven periodandtheaverageamountofinventoryheldduringthat period. (b) Costofgoodssoldinagiven periodandtheaverageamountofstockheldduringthat period. (c) Bothaand b. (d) Noneofthe above.	[]	IV	CO5
5C13	WhilecalculatingEarningspershare,ifbothequityandpreferencesharecapitalsarethere,then,	[]	I	CO5

	(a) Preference share is deducted from the net profit. (b) Equity share capital is deducted from the net profit. (c) Both a and b. (d) None of the above.			
5C14	Net operating profit ratio determines _____ net profit ratio determines. (a) Overall efficiency of the business, working efficiency of the management. (b) Working efficiency of the management, overall efficiency of the business. (c) Overall efficiency of the external market, working efficiency of the internal management. (d) None of the above.	[]	V	CO5
5C15	The relationship between two financial variables can be expressed in, (a) Pure Ratio. (b) Percentage. (c) Rate or time. (d) Either of the above.	[]	VI	CO5
S.No.	FILL IN THE BLANKS QUESTIONS		BT Level	Course Outcome
5F1	_____ Balance sheet items are expressed in the ratio of each asset to total assets and Ratio of each liability to total liability.		I	CO5
5F2	_____ analysis is a technique of studying several financial statements over a series of years.		I	CO5
5F3	Debt equity Ratio = _____		I	CO5
5F4	Ratio measures the long-term obligation of a firm."		I	CO5
5F5	Leverage Ratio is also known as _____ Ratio.		II	CO5
5F6	Ratio is calculated to test the long-term financial position of a firm.		I	CO5
5F7	_____ = $\frac{\text{Equity share capital} + \text{Reserve and Surpluses}}{\text{Preference share capital} + \text{Long term debt bearing fixed interest}}$		I	CO5
5F8	_____ measures the efficiency or effectiveness with which a firm manages its resources.		II	CO5
5F9	The main purpose of _____ Ratio is to measure the ability of the firm to pay its current liabilities.		I	CO5
5F10	_____ are those assets which can be converted into cash within a short period i.e., not exceeding one year.		I	CO5
5F11	_____ provide clues to the financial position of a concern.		I	CO5
5F12	The term _____ means ability of a concern to meet its long-term obligations.		II	CO5
5F13	_____ Ratio assesses the overall efficiency of the business concern.		I	CO5
5F14	A statement where balance sheet items are expressed in the ratio of each asset to total assets and the ratio of each liability is expressed in the ratio of total liabilities is called _____.		I	CO5
5F15	_____ ratio establishes a relationship between net credit sales and average account receivables i.e., average trade debtors and bill receivables.		VI	CO5
S.No.	MATCH THE FOLLOWING QUESTIONS		BT Level	Course Outcome
5M1	Match the following; A) Cost of goods sold 1) Return on Investment B) PBIT 2) Sales gross profit C) ROI 3) Quick Assets/Current Liabilities D) Quick Ratio 4) Profit before interest and Tax		I	CO5
5M2	Match the following; A) Gross Profit Ratio 1) Funds from operations B) Cash in hand 2) Current Liability C) Short-Term Loans 3) Current Asset D) FFO 4) Gross profit/Netsales		I	CO5
5M3	Match the following; A) Purchase of Land 1) Current Liability B) Issue of Capital 2) CA-CL C) Working Capital 3) Application of funds D) Outstanding Expenses 4) Sources of funds		I	CO5
5M4	Match the following;		I	CO5

	A) Ratiosis B) CurrentAssets C) CurrentLiabilities D) QuickAssets	1) BillsPayables,Creditors 2) Debtors,CashatBank,Cashin Hand 3) FinancialAnalysis 4)CashinHand,CashatBank																																														
5M5	Matchthefollowing; A) InventoryTurnoverRatioalsocalled B) CapitalStructurerationarealsocalled C) ROI D) P/ERatio		1)LeverageRatio 2)StockTurnoverRatio 3) Marketvalueofshare 4)ROCE	I CO5																																												
S.No.	DESCRIPTIVEQUESTIONS		BT Level	Course Outcome																																												
5D1	WritetheconceptsofRatioanalysis.		I	CO5																																												
5D2	WritethelImportanceofRatioanalysisinpresentscenarioofcompanies.		I	CO5																																												
5D3	WhatareleverageRatios?		I	CO5																																												
5D4	WhatisRatioAnalysis?ExplainsitsClassifications.?		I	CO5																																												
5D5	WhatareproprietaryRatios?		I	CO5																																												
5D6	A) CalculatenetprofitRatiofromthefollowingdata. 1) NetSalesRs.50000 2) Cost of goods sold Rs.20000 3)AdministrativeExpensesRs.3000 4)SellingandDistributionexpensesRs.4000 4) Lossonsaleoffixedassets Rs.3000 5) InterestonIncestmentreceviedRs.2000 6) Tax20% B)ComputeInventoryRatioandalsotheInventoryHoldingPeriod. AfirmssoldgoodsworthRs.5,00,000anditsgrossprofitis20%ofslaesvalue.Theinventoryatthebeginningof the year was Rs.16,000 and at end of the year was 14,000.		III	CO5																																												
5D7	FromtheBalanceSheetofXYZCo.Ltd.,CalculateLiquidityRatios. <table><tr><td>CapitalandLiabilities</td><td>Amount</td><td>Assets</td><td>Amount</td></tr><tr><td>Preferenceshares capital</td><td>100</td><td>LandandBuilding</td><td>225</td></tr><tr><td>Equitysharescapital</td><td>150</td><td>PlantandMachinery</td><td>250</td></tr><tr><td>GeneralReserve</td><td>250</td><td>FurnitureandFixtures</td><td>100</td></tr><tr><td>Debentures</td><td>400</td><td>Stock</td><td>250</td></tr><tr><td>Creditors</td><td>200</td><td>Debtors</td><td>125</td></tr><tr><td>BillsPayable</td><td>50</td><td>CashatBank</td><td>250</td></tr><tr><td>OutstandingExpenses</td><td>50</td><td>CashinBank</td><td>125</td></tr><tr><td>ProfitandLossAccount</td><td>100</td><td>PrepaidExpenses</td><td>50</td></tr><tr><td>BankLoans(LongTerm)</td><td>200</td><td>MarkableSecurities</td><td>125</td></tr><tr><td></td><td>1500</td><td></td><td>1500</td></tr></table>		CapitalandLiabilities	Amount	Assets	Amount	Preferenceshares capital	100	LandandBuilding	225	Equitysharescapital	150	PlantandMachinery	250	GeneralReserve	250	FurnitureandFixtures	100	Debentures	400	Stock	250	Creditors	200	Debtors	125	BillsPayable	50	CashatBank	250	OutstandingExpenses	50	CashinBank	125	ProfitandLossAccount	100	PrepaidExpenses	50	BankLoans(LongTerm)	200	MarkableSecurities	125		1500		1500	III	CO5
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Creditors	200	Debtors	125																																													
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ProfitandLossAccount	100	PrepaidExpenses	50																																													
BankLoans(LongTerm)	200	MarkableSecurities	125																																													
	1500		1500																																													
5D8	Whatarethelimitationsratio?DoesRatioanalysisreallymeasurethefinancial performanceofacompany?		I	CO5																																												
5D9	ExplaintheLimitationofRatioanalysis		I	CO5																																												
5D10	WhatisprofitabilityRatio?		I	CO5																																												
5D11	BrieflyexplainaboutturnoverRatios?		I	CO5																																												
5D12	HowmanytypesofRatiosareavailable?		I	CO5																																												
5D13	WhatisgrossprofitRatioandnetProfitRatio?		I	CO5																																												
5D14	WhatareleverageRatios?		I	CO5																																												
5D15	ExplainaboutSolvencyRatios?		V	CO5																																												

MIDQUESTIONPAPERS
&
ENDSEMESTERQUESTIONPAPERS

BR-22

SRI INDU COLLEGE OF ENGINEERING & TECHNOLOGY

D4

III B.Tech - I Semester - I Mid Term Examination, SEP/OCT - 2024
(R22HMSI212) BUSINESS ECONOMICS AND FINANCIAL ACCOUNTING
(For CIVIL, EEE, MECH, ECE, AIML, AIDS & IOT)

Duration: 2 Hrs

Dt: 03-10-2024, Day-3 (AN)

Max Marks: 30M

Part - A

Answer ALL multiple choice questions.

Marks: 10Qx1/2M = 5M

* (L1-Remembering, L2-Understanding, L3-Applying, L4-Analyzing, L5-Evaluating, and L6-Creating.)

Question	Answer	Course
1	I	CO1
2	I	CO1
3	I	CO1
4	I	CO1
5	I	CO2
6	I	CO2
7	I	CO2
8	I	CO2
9	I	CO3
10	I	CO3

- State the statements that contains the word ought to be called _____.
A) Prescriptive B) Normative C) Assertive D) Negative
- Name Managerial Economics is close to _____.
A) Micro Economics B) Macro Economics
C) Theory of Income and Employment D) Theory of Wages and Employment
- Which of the following is not covered by Managerial Economics?
A) Price-output decision B) Profit related decisions
C) Investment Decisions D) Foreign direct investment(FDI)decision
- Estimate Which of the following indicates micro approach from national perspective
A) Look out in a factory B) Per capita income of the country
C) Total investments in India D) Total employment in the country
- What is the shape of the demand curve is _____.
A) Downward sloping B) Upward-sloping
C) Vertical D) Horizontal
- Interpret the relation of _____ is by the law of demand.
A) The quantity and price of commodity
B) The price and income of commodity
C) Demand quantity and demand-supply of commodity
D) Income and demand quantity of a commodity
- What is the demand curve that's horizontal and parallel to the x-axis shows the elasticity of demand to be _____.
A) Infinite B) Zero C) Greater than zero D) Equals to one
- Classify Coffee and tea are _____ types of goods.
A) Complimentary B) Substitute C) Normal D) Inferior
- How many types of production function there are _____.
A) Three Types B) Four Types C) Six Types D) Two Types
- Which of the following is not covered while considering the types of costs involved in quality control?
A) Preventive costs B) Manufacturing costs C) Inspection costs D) Failure costs

Answer ALL fill in the blank questions.

Marks: 6Qx1/2M = 3M

- Any activity aimed at earning money is called _____. I CO1
- Show the branch of economics that deals with the aggregate is called _____. II CO1
- Demonstrate a change in quantity demanded results in movement _____ the demand curve along _____. II CO2
- Name a left shift in the demand curve indicates a _____ in demand decrease. I CO2
- _____ is a characteristic of monopolistic competition. I CO3
- State D-mart is an example of _____. II CO3

P.T.O

Answer All Match the following questions

Marks: 2Qx1M = 2M

17.

List-I (Subject of Managerial Economics)	List-II (Example)
1. Business Environment	A. Govt. Policies
2. Capital Management	B. Cost of Capital
3. Profit Management	C. Profit Planning
4. Cost Analysis	D. Cost Concept
	E. Price System

 I CO1
18.

1. Demand	A. Desire to purchase
2. Demand is said to Exist	B. Desire for an Obento
3. Law of Demand Relationship between	C. Giffen Paradox
4. Exception to Law of Demand	D. Price as Quantity

 I CO2

Part – B

Answer any FOUR questions.

Marks: 4Qx5M = 20M

19. Classify types of business entities? IV CO1
20. Write the nature and scope of business economics? II CO1
21. What are the Law of Demand Exceptions? I CO2
22. Define Elasticity of Demand and explain about types of elasticity of demand. I CO2
23. Write the factors of production and explain it briefly. II CO3
24. Explain production function with one-variable input. V CO3

UNIT-IV

II CO4

- 5a. i). Prepare final account from the following Balance sheet.

Particulars	Debit (Rs.)	Credit (Rs.)
Furniture	640	
Building	6250	
Plant and Machinery	7500	
Stock	3400	
Purchases	6000	
Advertising	1000	
Cash	1200	
Salaries	3000	
Insurance	800	
Debtors	2000	
Capital		12500
Sales		15000
Creditors		4290
TOTAL	31790	31790

Adjustments:

Closing stock Rs. 2000 -- depreciation on building @ 5% -- Salaries outstanding Rs. 300 -- Insurance Prepaid Rs. 100 -- Interest on Capital @ 5% -- Bad debts Rs. 100

(OR)

- 5 b. Define Double-Entry Book Keeping. Mention the Advantages of Double-Entry Book Keeping.

II CO4

III CO5

UNIT-V

- 6a. Define and provide the formula for the following.

- Operating Ratio
- Net Profit Ratio
- Return on Investment(ROI)
- Return on Capital Employed(ROCE)
- Earning Per Share(EPS).

(OR)

- 6(b) Define and calculate the following from the given data

III CO5

- Current ratio
- Quick ratio.

Liabilities	Rs.	Assets	Rs.
Bank overdraft	40,00,000	Cash in Hand	2,00,000
Creditors	60,00,000	Cash in Bank	10,00,000
Outstanding Creditors	7,00,000	Cash in bank	
Provision for Taxation	20,00,000	Bills Receivable	30,00,000
Dividends Proposed	10,00,000	Stock	40,00,000
		Debtors	70,00,000

* * * *

Duration: 2 Hrs

Dt: 12-06-2025, Day-I (AN)

Max Marks: 30M

Blooms Taxonomy Levels : I-Remembering, II-Understanding, III-Applying, IV-Analyzing, V-Evaluating, and VI-Creating.
 Course Outcomes: CO

Part – A (10 Marks)**SECTION A1: Answer All multiple choice questions.**

Marks: 10Qx1/2M = 5M

- | | | | | |
|---|-----|-----|----|-----|
| 1. Production function can be divided into _____ stage.
A) Two B) Three C) Four D) Five | [] | [] | II | CO3 |
| 2. Under the perfect competition, price is determined by the interaction of total demand and _____.
A) Total supply B) Total cost C) Total utility D) Total production. | [] | [] | I | CO3 |
| 3. Break even analysis refers to the study of _____ analyses.
A) Cost volume profit B) Cost output profit
C) Cost input expenses D) Cost price margin | [] | [] | I | CO3 |
| 4. Accounting concepts include certain basic _____.
A) Account B) Transactions C) Assumptions D) None of these | [] | [] | II | CO4 |
| 5. Normally assets are recorded at cost price. This is because of _____.
A) Going concern concept B) Historical concept
C) Both concepts D) None of these | [] | [] | VI | CO4 |
| 6. Accounting principles are based on _____.
A) Convenience in accounting B) Objectivity
C) Subjectivity D) Practicability | [] | [] | II | CO4 |
| 7. Determine Debtors turnover ratio if, closing debtors is Rs 40,000, Cash sales is 25% of credit sales and excess of closing debtors over opening debtors is Rs 20,000
A) 4 times B) 2 times C) 6 times D) 8 times | [] | [] | V | CO5 |
| 8. Quick ratio is 1:8:1, current ratio is 2:7:1 and current liabilities are 60,000. Determine value of stock _____.
A) 54,000 B) 60,000 C) 1,62,000 D) None of the above | [] | [] | V | CO5 |
| 9. Higher the ratio, the more favorable it is, doesn't stand true for _____.
A) Operating ratio. B) Liquidity ratio.
C) Net profit ratio. D) Stock turnover ratio. | [] | [] | I | CO5 |
| 10. Liquid assets are determined by _____.
A) Current assets - Stock - Prepaid expenses
B) Current assets + stock + prepaid expenses
C) Current assets + Prepaid expenses
D) None of the above. | [] | [] | V | CO5 |

SECTION A2: Answer All fill in the blank questions.

Marks: 6Qx1/2M = 3M

- | | | |
|---|----|-----|
| 11. _____ is the important form of Imperfect competition. | II | CO3 |
| 12. _____ examines the interactions of a firm's sales volume, selling price, cost structures and profitability. | I | CO3 |
| 13. _____ are the amounts of cash or other assets taken by the owner from the business for personal use. | I | CO4 |
| 14. Recording two aspects of each transaction is known as _____ system. | I | CO4 |
| 15. _____ analysis is a technique of studying several financial statements over a series of years. | I | CO5 |
| 16. Leverage Ratio is also known as _____ Ratio. | II | CO5 |

P.T.O

SECTION A3: Answer All Match the following questions

Marks: 2Qx1M = 2M

17.	1. Personal Account	A. Liabilities + Equity
	2. Nominal Account	B. HMT Ltd A/C
	3. Real Account	C. Salaries A/C
	4. Assets	D. Furniture A/C

I CO4

18.	1. Ratios is	A. Bills Payables, Creditors
	2. Current Assets	B. Debtors, Cash at Bank, Cash in Hand
	3. Current Liabilities	C. Financial Analysis
	4. Quick Assets	D. Cash in Hand, Cash at Bank

I CO5

Part -- B (20 Marks)

Answer any FOUR questions.

Marks: 4Qx5M = 20M

19. Distinguish between short and long run cost function.
20. Explain about cost volume profit analysis with example.
21. Write the accounting concepts.
22. Explain the rules for maintaining books of accounts.
23. What is Ratio Analysis? Explain its Classifications?
24. From the Balance Sheet of XYZ Co. Ltd., Calculate Liquidity Ratios.

IV CO3

V CO3

I CO4

II CO4

I CO5

III CO5

Capital and Liabilities	Amount	Assets	Amount
Preference share's capital	100	Land and Building	225
Equity shares capital	150	Plant and Machinery	250
General Reserve	250	Furniture and Fixtures	100
Debentures	400	Stock	250
Creditors	200	Debtors	125
Bills Payable	50	Cash at Bank	250
Outstanding Expenses	50	Cash in Bank	125
Profit and Loss Account	100	Prepaid Expenses	50
Bank Loans (Long Term)	200	Markable Securities	125
	1500		1500
