

A
Course File Report
On
“Business Economics and Financial Analysis”
Submitted by
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IN THE DEPARTMENT OF
HUMANITIES & SCIENCES



CMR ENGINEERING COLLEGE
(UGC Autonomous)
(Affiliated to J.N.T.U, HYDERABAD)
Kndlakoya (v), Medchal -501 401
(2023-2024)

COURSE FILE

Subject: **“Business Economics and Financial Analysis “**

Year: **II B.Tech, II SEM**

Branch: CSE

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Submitted By

T. RENUKA
Assist. Professor

1. COLLEGE VISION AND MISSION

Vision of the Institute:

To be recognized as a premiere institution in offering value based and futuristic quality technical education to meet the technological needs of the society.

Mission of the Institute:

1. To impart value based quality technical education through innovative teaching and learning methods.
2. To continuously produce employable technical graduates with advanced technical skills to meet the current and future technological needs of the society.
3. To prepare the graduates for higher learning with emphasis on academic and industrial research.

1.1. Department Vision Mission

VISION OF THE DEPARTMENT

To promote excellence in technical education and scientific research in electronics and communication engineering for the benefit of society.

MISSION OF THE DEPARTMENT

M1: To impart excellent technical education with state of art facilities inculcating values and lifelong learning attitude.

M2: To develop core competence in our students imbibing professional ethics and team spirit.

M3: To encourage research benefiting society through higher learning.

2. PROGRAM EDUCATIONAL OUTCOME (PEO):

PEO 1: Establish themselves as successful professionals in their career and higher education in the field of Electronics & Communication Engineering and allied domains through rigorous quality education.

PEO 2: Develop Professionalism, Ethical values, Excellent Leadership qualities, Communication Skills and teamwork in their Professional front and adapt to current trends by engaging in lifelong learning

PEO 3: Apply the acquired knowledge & skills to develop novel technology and products for solving real life problems those are economically feasible and socially relevant

PEO 4: To prepare the graduates for developing administrative acumen, to adapt diversified and multidisciplinary platforms to compete globally

2.1 Program Outcomes (POs):

1. **Engineering knowledge:** Apply the knowledge of mathematics, science, engineering fundamentals, and an engineering specialization to the solution of complex engineering problems.
2. **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.
3. **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.
4. **Conduct investigations 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.
5. **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.
6. **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.
7. **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.
8. **Ethics:** Apply ethical principles and commit to professional ethics and responsibilities and norms of the engineering practice.
9. **Individual and team work:** Function effectively as an individual, and as a member or leader in diverse teams, and in multidisciplinary settings.
10. **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.

11. 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.

12. 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

3. LIST OF COs

COURSE OUTCOMES:

CO1	Understand the concepts of business economics and concept organizations existing in the modern Business.
CO2	Define microeconomic factors in related to demand and supply analysis and its forecasting
CO3	Apply the theory of production function and Cost concepts to determine the Break Even Analysis and remember different market structures, pricing strategies and different forms business organization
CO4	Determine the financial statement by using Fundamental accounting.
CO5	Interpret the financial statement by using Ratio analysis, fund flow and cash flow statements

4. SYLLABUS COPY AND SUGGESTED OR REFERENCE BOOKS

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 in 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 & 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, and Monopolistic Competition.

Pricing:

Types of Pricing, Product Life Cycle based Pricing, Break Even Analysis, and Cost Volume Profit Analysis. 27

UNIT-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, and Preparation of Final Accounts.

UNIT -V Financial Analysis through Ratios:

Concept of Ratio Analysis, Liquidity Ratios, Turnover Ratios, Profitability Ratios, Proprietary Ratios, Solvency, Leverage Ratios (simple problems). Introduction to Fund Flow and Cash Flow Analysis (simple problems).

TEXT BOOKS

- T1: D. D. Chaturvedi, S. L. Gupta, Business Economics – Theory and Applications, International Book House Pvt. Ltd. 2013.
- T2: Dhanesh K Khatri, Financial Accounting, Tata Mc –Graw Hill, 2011.

Geethika Ghosh, Piyali Gosh, Purba Roy Choudhury, Managerial Economics, 2e, Tata Mc Graw Hill Education Pvt. Ltd. 2012.

REFERENCE BOOKS

- R1. Paresh Shah, Financial Accounting for Management 2e, Oxford Press, 2015.
- R2: S. N. Maheshwari, Sunil K Maheshwari, Sharad K Maheshwari, Financial Accounting, 5e, Vikas Publications, 2013

5. SESSION PLAN

BUSINESS ECONOMICS & FINANCIAL ANALYSIS						
S.NO	Topic (JNTU syllabus)	Sub-Topic	No. Of Lectures required	Suggested Books	Teaching method	Remarks
		UNIT – I				
1	INTRODUCTION TO BUSINESS AND ECONOMICS	Introduction and definition of Business	L1	T1	M1,2,3	
2		Theory of firms.	L2	T1	M1,2,3	
3		Types of Business entities and Sources of capital for a company	L3	T1	M1,2,3	
4		Introduction of Economics and Significance of Economics	L4	T1	M1,2,3	
5		Micro and Macro concepts	L5	T1	M1,2,3	
6		National income concepts and Importance.	L6	T1	M1,2,3	
7		Inflation and Money Supply in inflation.	L7	T1	M1,2,3	
8		Features and Phases of Business Cycle.	L8	T1	M1,2,3	
9		Nature and Scope of Business Economics and Role and Multidisciplinary nature	L9,L10	T1	M1,2,3	
		UNIT – II				
10	DEMAND AND SUPPLY	Introduction of Elasticity of Demand	L11,L12	T1	M2,4,6	

11	ANALYSIS	Types of Elasticity and Law of Demand	L13	T1	M2,4,6	
12		Measurement and significance of Elasticity of Demand	L14	T1	M2,4,6	
13		Factors affecting Elasticity of Demand and good demand in decision making	L15,L16	T1	M2,4,6	
14		Demand Forecasting: Characteristics and steps in Demand forecasting	L17	T1	M2,4,6	
15		Methods in Demand forecasting	L18,L19	T1	M2,4,6	
16		Supply Analysis: Introduction of Supply analysis and Determinants of Supply	L20,L21	T1	M2,4,6	
17		Law of Supply and Functions	L22	T1	M2,4,6	
		UNIT – III				
18	PRODUCTION, COST, MARKET STRUCTURE AND PRICING	Production Analysis: Factors of production and production function	L23	T1	M2,4,5	
19		Production function with one variable input, two variable inputs, Return to scale	L24,L25,L26	T1	M2,4,5	
20		Different types of production functions	L27,L28	T1	M2,4,5	

21	FINANCIAL ACCOUNTING	Cost analysis: Types of cost, short run and long run function	L29,L30	T1	M2,4,5	
22		Market structures: Introduction	L31,L32	T1	M2,4,5	
23		Nature and competition of market structure	L33	T1	M2,4,5	
24		Features of perfect competition, monopoly, oligopoly and monopolistic competition	L34	T1	M2,4,5	
25		Pricing: Types of pricing, product life cycle based pricing.	L35,L36	T1	M2,4,5	
26		Break even analysis, and cost volume profit analysis	L37	T1	M2,4,5	
		UNIT – IV				
27		Accounting concepts and Conventions	L41	T1,R1	M1,3,4	
28		Accounting Equation	L42	T1,R1	M1,3,4	
29		Double-Entry Book Keeping.	L43	T1,R1	M1,3,4	
30		Rules for maintaining Books of Accounts	L44	T1,R1	M1,3,4	
31		Journal, Ledger.	L45,L46	T1,R1	M1,3,4	
32		Trial Balance.	L47	T1,R1	M1,3,4	
33		Final Accounts	L48	T1,R1	M1,3,4	

		UNIT – V				
34	FINANCIAL ANALYSIS THROUGH RATIOS	Concept of Ratio Analysis	L49,	T1,R1	M2,3,4,6	
35		Liquidity Ratios	L50	T1,R1	M2,3,4,6	
36		Turnover Ratios	L51	T1,R1	M2,3,4,6	
37		Profitability Ratios	L52	T1,R1	M2,3,4,6	
38		Proprietary Ratios	L53	T1,R1	M2,34,6	
39		Solvency	L54	T1,R1	M2,3,4,6	
40		Leverage Ratios (simple problems)	L55	T1,R1	M2,3,4,6	
41		Introduction to Fund Flow and Cash Flow Analysis (simple problems)	L55	T1,R1	M2,3,4,6	

TEACHING METHOD:

M1: Cross over teaching (does not include with technology) through experience

M2: Teaching through virtual Reality

M3: Teaching through Blackboard

M4: Brain Strom

M5: Technology and innovative methods of Teaching

M6: Real world learning

6. SESSION EXECUTION LOG:

S.NO	UNIT No.	Starting Date	Ending Date
1	UNIT-I		
2	UNIT-II		
3	UNIT-III		
4	UNIT-IV		
5	UNIT-V		

7. LECTURE NOTES

8. ASSIGNMENT QUESTIONS

Assignment-I

1. What is meant by Business Economics? Explain its features and scope. (Co1)
2. Define Supply? Explain Law of Supply with Determinants? (Co3)(BTL2)
3. Explain about National Income and concepts with formulas. (Co1)(BT L3)
4. Explain the Price Elasticity of Demand and its types illustrate with figures (Co2)(BT L2)
5. Describe about Limited Liability Company? (Co1)(BT L5)

Assignment-II

1. Define perfect market and explain price output determination under monopoly.(CO3)(BTL4)
2. Explain pricing and methods of pricing. (CO3) (BTL2)
3. Explain these items. (CO5) (BTL2)
4. Write formulas of liquidity ratios(CO5) (BTL4)
 - a) What is double entry system book keeping and advantages?(CO4)(BTL2)
5. Write Performa of final accounts(Trading account, profit and loss account, balance sheet)(CO4)(BTL4)
6. The balance sheet of Punjab auto limited as on 31-12-2000 was as follows(CO4)

From	Particulars	Rs	Particulars	Rs
	Equity share capital	40000	Plant and machinery	24000
	capital reserve	8000	Land and building	40000
	8 % loan on mortgage	32000	Furniture and fixtures	16000
	Creditors	16000	Stock	12000
	Bank overdraft	4000	Debtors	12000
	Taxation	4000	investment (short term)	4000
	Current	4000	cash in hand	12000
	Future	4000		
	profit and loss account	12000		
	Total	1,20,000		1,20,000

- a) The current ratio
- b) Quick ratio
- c) Debt equity ratio
- d) Proprietary ratio

the above,
compute

9. MID EXAM QUESTION PAPERS



CMR ENGINEERING COLLEGE

UGC AUTONOMOUS

(Approved by AICTE - New Delhi. Affiliated to JNTUH and Accredited by NAAC & NBA)
Kandlakoya (V), Medchal (M), Medchal - Malkajgiri (D)-501401



II.B.TECH- II-SEM (R20)-II MID EXAMINATIONS-2023

Subject: Business Economics & Financial Analysis

Time: 02:00 To 03:30 PM

Branch: CSE

Marks: 35 M

Answer All Questions In Part-A & Part-B

I. Answer all the below questions each question carry two marks **5*2=10M** 1. Define
Joint Stock Company? (Co1)(BT L4)
2. What have you understood by Demand Forecasting? (Co2)(BT L2)
3. Explain about Production Function? (Co3)(BT L2)
4. List out determinants of Demand? (Co2)(BT L2)
5. Write about Partnership Deed? (Co1)(BT L2)

6. What is meant by Business economics? Explain its features and scope. (Co1)(BT L2)

(Or)

7. Explain about National Income and concepts with formulas. (Co1)(BT L3)

8. Describe about Limited Liability Company? (Co1)(BT L5)

(Or)

9. Explain the Price Elasticity of Demand and its types illustrate with figures (Co2)(BT L2)

10. Define Supply? Explain Law of Supply with Determinants? (Co3)(BTL2)

(Or)

11. Define Demand? Explain Types of Demand?(Co3)(BTL2)

- b) Fixed cost & Variable cost
- c) Explicit cost & Implicit cost

10. SCHEME OF EVALUATION

Sl.No	Theory	Marks	Total	
1	Write the features of Sole proprietorship.	2	2	10
2	Describe supply function with determinants.	2	2	
3	Define Iso-quant (Co3)	2	2	
4	Explain survey method. (Co2)	2	2	
5	Compare micro economics and Macro economics. (Co1)	1 1	2	
6	What is meant by Business economics Explain Its features and scope	2.5 2.5	5	5
7	Explain about National Income concepts with formulas	2.5 2.5	5	
8	Law of Demand definition table and diagram exceptions	1 2 2	5	5
9	Explain the price elasticity of demand its types illustrate with figures	2 1 2	5	
10	Definition of One variable Table and graph Conclusion	2 2 1	5	
11	Short run cost & Long run cost Fixed cost & Variable cost Explicit cost & Implicit cost	2 1 1 1	5	

11. MAPPING OF COs WITH POS

Course Outcome s	Relationship of Course outcomes to Program Outcomes (PO AVG)													
	CO/PO	PO 1	PO 2	PO 3	PO4	PO5	PO 6	PO7	PO 8	PO 9	PO10	PO11	PO1 2	PSO 1
CO1	-	-	-	-	-	-	-	2	2	-	2	-	-	-
CO2	-	-	-	-	-	-	-	-	-	-	2	-	-	-
CO3	-	-	-	-	-	-	-	-	-	-	2	-	-	-
CO4	-	-	-	-	-	-	-	-	-	-	3	-	-	-
CO5	-	-	-	-	-	-	-	-	-	-	3	-	-	-

12. COs, POs, PSOS JUSTIFICATION

CO1: Define the economic techniques and concepts and Decide an action for business objectives.
Correlated with PO1 moderately: Because it contributes the knowledge on fundamentals of Linux file processing utilities which makes students get engineering knowledge and student can categorize different utilities. So, overall the correlation of CO1 to PO1 is good.
Correlated with PO2 moderately: as this course outcome provides students identify different utilities but cannot contribute a solution to research problems, Complex Problems. So, overall the correlation of CO1 is good.
Correlated with PO3 moderately: It contributes to identify the problems that arises but, cannot provide a complete solution to Complex problems. So, overall the correlation of CO1 is weak.

CO2: Explain Demand function to carry out efficient and productivity to and analysis of demand and supply..
Correlated with PO1 moderately: Because it provides fundamentals of computer science. So, correlation is good.
Correlated with PO2 moderately: contribution to provide solutions for Complex problems is little so, the correlation is moderate.
Correlated with PO3 moderately: It contributes to provide scope of identifying some solution to complex problems but not a complete. So, the correlation of CO2 is moderate.

CO3: Develop production function to carry out efficient productivity and cost analysis to determine price of commodity.
Correlated with PO4 moderately: contribution of this course outcome is weak for providing

<p>solutions for complex problems i.e in research area. The correlation is moderate.</p>
<p>Correlated with PO5 moderately: the CO contributes knowledge on different techniques on message passing among processes such that the student gets knowledge on using modern tools. So, the correlation of CO is Good.</p>
<p>Correlated with PO12 moderately: Students get knowledge on different techniques of message passing so that it motivates student to learn new technologies. The correlation is moderate.</p>
<p>CO4: Evaluate the basic accounting functions & make use of accounting principles for financial analysis.</p>
<p>Correlated with PO1 moderately: Because it contributes the knowledge on fundamentals of Linux file processing utilities which makes students get engineering knowledge and student can categorize different utilities. So, overall the correlation of CO1 to PO1 is good.</p>
<p>Correlated with PO2 moderately: as this course outcome provides students identify different Problems that occur when dealing with processes but cannot provide better solution for solving the issues So, overall the correlation of CO1 is good.</p>
<p>Correlated with PO3 moderately: It contributes only knowledge on developing complex problems but, cannot provide a complete solution to Complex problems. So, overall the correlation of CO1 is good.</p>
<p>CO5: Interpret the financial statements through ratio analysis for a company..</p>
<p>Correlated with PO1 moderately: Because it contributes the knowledge on fundamentals of Linux file processing utilities which makes students get engineering knowledge and student can categorize different utilities. So, overall the correlation of CO1 to PO1 is good.</p>
<p>Correlated with PO2 moderately: as this course outcome provides students identify different Problems that occur when dealing with processes but cannot provide better solution for solving the issues So, overall the correlation of CO1 is good.</p>
<p>Correlated with PO5 High: outcome contributes better for identification of different solutions for problems. So, that the students can apply to build some applications. So the correlation is high.</p>
<p>CO6: Develop the socket programming for client/server architecture.</p>
<p>Correlated with PO1 (high): The outcome contributes to apply the computer science knowledge so that the correlation is very good.</p>
<p>Correlated with PO2 (high): the outcome will contribute to indentify the problems and design the application so the correlation is very good.</p>
<p>Correlated with PO4 moderately: outcome contributes for providing solutions for complex</p>

problems only. It may not provide scope for research so the outcome is correlated moderately.

Correlated with PO5 moderately: outcome contributes to limited scope usage of modern tools. So, it is correlated moderately.

13. ATTAINMENT OF COs,POs, PSOS

C214.1	Define the economic techniques and concepts and Decide an action for business objectives.
C214.2	Explain Demand function to carry out efficient and productivity to and analysis of demand and supply.
C214.3	Develop production function to carry out efficient productivity and cost analysis to determine price of commodity.
C214.4	Evaluate the basic accounting functions & make use of accounting principles for financial analysis.
C214.5	Interpret the financial statements through ratio analysis for a company.

14. UNIVERSITY QUESTION PAPERS



15. POWER POINT

1. https://mail.google.com/mail/u/0/?ui=2&ik=3a76f7c357&attid=0.1&permmsgid=msg-a:r5442972421410795743&th=18109a1762c551f1&view=att&disp=inline&realattid=f_kc3fyzb40
2. https://mail.google.com/mail/u/0/?ui=2&ik=3a76f7c357&attid=0.2&permmsgid=msg-a:r5442972421410795743&th=18109a1762c551f1&view=att&disp=safe&realattid=f_kc3fz7ac1
3. https://mail.google.com/mail/u/0/?ui=2&ik=3a76f7c357&attid=0.3&permmsgid=msg-a:r5442972421410795743&th=18109a1762c551f1&view=att&disp=safe&realattid=f_kc3fzgrj2

4. https://mail.google.com/mail/u/0/?ui=2&ik=3a76f7c357&attid=0.4&permmsgid=msg-a:r5442972421410795743&th=18109a1762c551f1&view=att&disp=safe&realattid=f_kc3fzloa3
5. https://mail.google.com/mail/u/0/?ui=2&ik=3a76f7c357&attid=0.5&permmsgid=msg-a:r5442972421410795743&th=18109a1762c551f1&view=att&disp=safe&realattid=f_kc3fzsfz4
6. https://mail.google.com/mail/u/0/?ui=2&ik=3a76f7c357&attid=0.6&permmsgid=msg-a:r5442972421410795743&th=18109a1762c551f1&view=att&disp=safe&realattid=f_kc3g026l5