

**BUSINESS ECONOMICS AND FINANCIAL ANALYSIS**  
**UNIT WISE IMPORTANT QUESTIONS**

**UNIT - V**

**SHORT QUESTIONS**

| S.No | Question                                                    | CO  | BT Level |
|------|-------------------------------------------------------------|-----|----------|
| 1    | <b>Define</b> Ratio Analysis.                               | CO5 | L1       |
| 2    | <b>Describe</b> the advantages of Ratio Analysis.           | CO5 | L2       |
| 3    | <b>State</b> the meaning of Funds.                          | CO5 | L1       |
| 4    | <b>Explain</b> the concept of Funds Flow Statement.         | CO5 | L2       |
| 5    | <b>Identify</b> the meaning of Working Capital.             | CO5 | L1       |
| 6    | <b>Illustrate</b> the concept of Funds from Operations.     | CO5 | L2       |
| 7    | <b>Discuss</b> the importance of Funds Flow Analysis.       | CO5 | L2       |
| 8    | <b>Summarize</b> the limitations of Funds Flow Statement.   | CO5 | L2       |
| 9    | <b>Recall</b> the meaning of Cash Flow Statement.           | CO5 | L1       |
| 10   | <b>List</b> the financial ratios used in business analysis. | CO5 | L1       |

**LONG QUESTIONS**

| S.No | Question                                                                                                              | CO  | BT Level |
|------|-----------------------------------------------------------------------------------------------------------------------|-----|----------|
| 1    | <b>Assess</b> the utility of Ratio Analysis in financial decision-making.                                             | CO5 | L5       |
| 2    | <b>Examine</b> the classification of Financial Ratios with suitable examples.                                         | CO5 | L4       |
| 3    | <b>Compute</b> Gross Profit Ratio, Net Profit Ratio, Operating Ratio, and Operating Profit Ratio from the given data. | CO5 | L3       |
| 4    | <b>Determine</b> Current Assets and Current Liabilities from the given Current Ratio and Working Capital.             | CO5 | L3       |
| 5    | <b>Investigate</b> the concept and significance of Funds Flow Statement.                                              | CO5 | L4       |
| 6    | <b>Compare</b> Funds Flow Statement and Income Statement.                                                             | CO5 | L4       |

|    |                                                                                                        |     |    |
|----|--------------------------------------------------------------------------------------------------------|-----|----|
| 7  | <b>Distinguish</b> between Funds Flow Statement and Balance Sheet.                                     | CO5 | L4 |
| 8  | <b>Inspect</b> the procedure for preparing a Statement of Changes in Working Capital.                  | CO5 | L4 |
| 9  | <b>Construct</b> a Statement showing Funds from Operations from the given information.                 | CO5 | L3 |
| 10 | <b>Appraise</b> the preparation and significance of the Statement of Sources and Application of Funds. | CO5 | L5 |