4th Semester Regular / Back Examination 2017-18
ENGINEERING ECONOMICS
BRANCH : AEIE, AERO, AUTO, BIOMED, BIOTECH, CHEM, CIVIL, CSE, ECE, EEE, EIE, ELECTRICAL, ENV, ETC, FAT, IEE, IT, MANUFAC, MANUTECH, MECH, METTA, MINERAL, MINING, MME, PE, PLASTIC, PT, TEXTILE
Time : 3 Hours
Max Marks : 100
Q.CODE : C1115
Answer Part-A which is compulsory and any four from Part-B.
The figures in the right hand margin indicate marks.
Answer all parts of a question at a place.

Part – A (Answer all the questions)

Q1   Answer the following questions :   (2 x 10)
   a)   The interest rate before taking inflation into account is called as--------
   b)   When output increases by less than that proportional change in inputs it is called---
   c)   The price of the good, the state of technology, the prices of related goods are ----.
   d)   A -----good has an upward–sloping demand curve and a ----good has a downward-sloping demand curve.
   e)   A market structure where the competition is at its greatest possible level is called as--------and here ------ types of products are produced.
   f)   The interest rate before taking inflation into account is called as --------.
   g)   ------ is the custodian of cash reserves of commercial banks
   h)   A ----- relates physical output of an production process to physical inputs.
   i)   The market price where the quantity of goods supplied is equal to the quantity of goods demanded in the market is called as------
   j)   Two important methods to evaluate the engineering projects are ------- and ------.

Q2   Answer the following questions: (2 x 10)
   a)   What is a commercial bank?
   b)   What are the Macroeconomic elements?
   c)   What is Income elasticity of supply?
   d)   Write the difference between Net Working capital and Gross Working capital?
   e)   What do you mean by an annual worth method to evaluate engineering projects?
   f)   What is NPV?
   g)   What is Declining balance method?
   h)   What is monopolistic competitive market?
   i)   How national income is measured?
   j)   What is opportunity Cost?

Part-B (Answer any four questions)

Q3 a) If Variable Cost per unit is 15, fixed expenses are Rs.54, 000 and selling price is Rs.20 then calculate the selling price if the break-even point should be brought down to 6000 units?   **(10)**

   b) Cost-benefit analysis   **(5)**

Q4 **a)** Describe the nature and scope of Economics with suitable examples. **(10)**
b) CAGR **(5)**

Q5 **a)** What are the causes of Inflation? Write the measures to control inflation. **(10)**
b) Methods of calculation of depreciation **(5)**

Q6 **a)** Describe the determinants of demand and the exceptions in the law of demand. **(10)**
b) If the demand and supply curve for Mobile phones are D=100-6P, S=28+3P where P is the price of Mobile Phones ,what is the quantity of mobile phones bought and sold at equilibrium? **(5)**

Q7 **a)** What is Principle of Economic Equivalence? Describe it with suitable schematic representation. **(10)**
b) Function of Central Bank **(5)**

Q8 **a)** What is the production function in Economics you know? Write the features of Production function **(10)**
b) Importance of national Income and Methods to measure national Income **(5)**

Q9 **a)** Explain the law of variable proportion. Discuss the different assumptions with a graphical representation. **(10)**
b) Maturity transformation **(5)**