3rd Semester Regular / Back Examination 2018-19
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 : E842
Answer Question No.1 (Part-1) which is compulsory, and any eight from Part-II and any two from Part-III.
The figures in the right hand margin indicate marks.

Part- I

Q1   Short Answer Type Questions (Answer All-10)   (2 x 10)
  a) What is Income elasticity of demand?
  b) What is a monopolistic competitive market?
  c) What is TVM?
  d) Write the two important methods to evaluate the engineering projects.
  e) Describe few reasons of Inflation.
  f) Which type of goods show upward-sloping and which types show downward-sloping demand curve?
  g) What is diminishing return to scale?
  h) What is principle of Economic Equivalence?
  i) What is matching principle?
  j) Write the laws of supply.

Part- II

Q2   Focused-Short Answer Type Questions- (Answer Any Eight out of Twelve)   (6 x 8)
  a) Write the functions of commercial banks.
  b) Method of calculating national income
  c) If the Variable Cost per unit is Rs.18, fixed expenses are Rs.56, 500 and selling price is Rs.24 then calculate the selling price if the break-even point should be brought down to 7800 units?
  d) What is NPV and its importance in Economics?
  e) Write down the Methods to calculate depreciation with examples.
  f) What are Net Working capital and Gross Working capital?
  g) What is IRR and how it is calculated?
  h) Mention the significance of cost-benefit analysis.
  i) What are the exceptions in the law of demand you know?
  j) If the demand and supply curve for desktop speakers are D=150-7P, S=35+4P where P is the price of speakers, what is the quantity of speakers purchased and sold at equilibrium?
  k) CAGR
  l) Declining balance method

Part-III
Long Answer Type Questions (Answer Any Two out of Four)

Q3   Describe the nature, scope and importance of economics with suitable examples.   **(16)**

Q4   What do you mean by the law of variable proportion? Discuss the various assumptions with a graphical representation.   **(16)**

Q5   Describe the roles of reserve bank of India. Also discuss the functions of central bank in details.   **(16)**

Q6   What do you mean by Maturity transformation? Mention the risks involved with this by describing the preventive measures.   **(16)**