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Total Number of Pages : 2

AR-17

B.TECH

3rd Semester (BACK PAPER) Examination-2019**BMSHS3062 ENGINEERING ECONOMICS & COSTING**

Common to AEIE/CSE/ECE/EE/EEE/IT

Time : 3 Hours

Maximum : 100 Marks

Answer ALL Questions

The figures in the right hand margin indicate marks.

PART – A: (Multiple Choice Questions) 10 x 2=20 Mark**Q.1. Answer All Questions**

- a Economics is the study of
- how society manages its unlimited resources.
 - how to reduce our wants until we are satisfied.
 - how society manages its scarce resources.
 - d) how to fully satisfy our unlimited wants.
- b Scarcity:
- exists because resources are limited while human wants are unlimited.
 - means we are unable to have as much as we would like to have.
 - will likely be eliminated as technology continues to expand.
 - is not an issue addressed in economic
- c Given selling price is Rs 10 per unit, variable cost is Rs 6 per unit and fixed cost is Rs 5,000. What is break-even point?
- 500 units
 - 1,000 units
 - 1,250 units
 - None of the above
- d Contribution is also known as
- Contribution margin
 - Net Margin
 - Both a and b
 - None of the above
- e Mr. X takes a loan of Rs 50,000 from HDFC Bank. The rate of interest is 10% per annum. The first installment will be paid at the end of year 5. Determine the amount of equal annual installments if Mr. X wishes to repay the amount in five installments.
- Rs 19500
 - Rs 19400
 - Rs 19310
 - None of the above
- f If nominal rate of return is 10% per annum and annual effective rate of interest is 10.25% per annum, determine the frequency of compounding:
- 1
 - 2(T)
 - 3
 - None of the above
- g Inflation:
- Always reduces the cost of living
 - Always reduces the standard of living
 - Reduces the price of products
 - Reduces the purchasing power of a pound(t)
- h How inflation affects the price of the commodities?
- Price of the commodities decreases
 - Price of the commodities increases(t)
 - No effect
 - First the price decreases later on increases
- i _____ is regarded as a queen of Indian financial system.
- SEBI
 - RBI (t)
 - Finance Ministry
 - BSE
- j RBI started functioning on _____.
- 1-4-1935 (t)
 - 1-4-1948
 - 1-4-1882
 - 1-4-1945

**PART – B: (Short Answer Questions) 10X2=20 Marks****Q.2. Answer ALL questions**

- a Explain the concepts of Giffen paradox.
- b Explain the concepts of Water-diamond paradox.
- c State the law of demand?
- d What do you mean depreciation?
- e State the merits of written down method of depreciation.
- f What is salvage value?
- g Distinguish between annuity due and deferred annuity.
- h Explain about equal payment series sinking fund factor?
- i Explain about saving bank account?
- j What is fixed deposit account?

PART – C: (Long Answer Questions) 4X15=60 Marks**Answer ALL questions**

- Q.3**
- a Briefly explain the basic problems of economics in detail? 10
 - b Detail out the various determinants of demand for a product. 5
- OR
- c What is price elasticity of demand? Describe its various methods for measuring price elasticity of demand. 10
 - d Explain the concept of demand schedule and demand curve 5
- Q.4**
- a Prepare a specimen of cost sheet with assumed figures? 5
 - b What is breakeven analysis? Explain with graph by using assumed figures? 10
- OR
- c Explain the straight line method of depreciation with examples? 5
 - d What is principles of economic equivalence? And explain the principles? 10
- Q.5**
- a What is nominal rate of interest and effective rate of interest? Explain with examples? 5
 - b What is Net Present Value? Give examples? Explain the merits and demerits of NPV 10
- OR
- c What are the merits and demerits of net present value method? 5
 - d Describe the seven compound interest factors with suitable cash flow diagram? 10
- Q.6**
- a Briefly write about the structure of Indian financial system 5
 - b Give the meaning of central bank? Elaborate the functions of Reserve Bank of India? 10
- OR
- c Write various types of inflation? 5
 - d Give idea about national income? Explain the different methods of measuring national income? 10

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