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Total Number of Pages : 01

B.Tech
HSSM3204

3rd Semester Back Examination 2019-20
ENGINEERING ECONOMICS & COSTING

BRANCH : AEIE, AUTO, BIOMED, BIOTECH, CHEM, CIVIL, CSE, ECE, EEE, EIE, ELECTRICAL, ENV, ETC, FASHION, FAT, IEE, IT, ITE, MANUFAC, MANUTECH, MARINE, MECH, METTA, MINERAL, MINING, MME, PE, PLASTIC, TEXTILE

Time : 3 Hours

Max Marks : 70

Q.CODE : HB752

Answer Question No.1 which is compulsory and any FIVE from the rest.
The figures in the right hand margin indicate marks.

Q1 Answer the following questions : (2 x 10)

- What are the causes of change in time value of money?
- What are criterion of testing the feasibility of a project in NEA method?
- What is income elasticity of demand?
- Define spill over benefit.
- What is marginal cost?
- Define amortization.
- What is social discounting rate?
- Write down the implications of margin of safety.
- What is isoquant?
- How variance is calculated?

Q2 a) From the following information test the feasibility of the project by using NPV method where $i=6.5%$ compounded annually. (5)

N	0	1	2	3	4	5
Cash Flow	-30,000	3,000	8,000	8,000	8,000	5,000

b) How the desirability of public project is tested in CBA method? (5)

Q3 a) What is demand? Explain the law of demand in detail. (5)
b) Describe the proportional method of measuring price elasticity of demand. (5)

Q4 a) What do you mean by element of cost? Explain it in detail with examples. (5)
b) What is depreciation? Explain two basic methods of calculating depreciation with examples. (5)

Q5 a) Distinguish between money market and capital market. (5)
b) What are the functions of central bank? (5)

Q6 Find out the maturity value, interest amount and effective interest rate of Rs. 15,000/ invested for 9 years at a discount rate of 11.5 % compounded half yearly, quarterly and daily. (10)

Q7 What is production function? Describe the law of short run production function. (10)

Q8 Write short Notes on any TWO : (5 x 2)

- Perfect competitive market
- Geffen paradox
- Standard costing