Total number of printed pages – 2

B. Tech

HSSM 3204

Third Semester Regular Examination – 2014

ENGINEERING ECONOMICS AND COSTING

BRANCH(S) : AEIE, BIOTECH, CHEM, CIVIL, CSE, EC, EEE, EIE, ELECTRICAL, ETC, FASHION, IEE, IT, MANUTECH, MECH, MINING, MM, MME, PLASTIC

QUESTION CODE : H 372

Full Marks – 70

Time – 3 Hours

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

1. Answer the following questions :   2 ×10

    (a) "Engineering Economics is concerned with productivity and efficiency business organization". Do you agree ? Justify your answer.

    (b) Explain with example the concept of opportunity cost.

    (c) "Externalities in economics study about the cost and benefit". Explain how ?

    (d) Explain the social benefit and cost aspect in building a dam in a river.

    (e) What are the purposes of changing bank rate for a bank ? Who changes the bank rate ?

    (f) In what ways financial markets different from capital market ?

    (g) In the period of abundant harvesting, the farmers suffer most. Why ?

    (h) Explain the 'bandwagon' and 'snob effect'.

    (i) 'The market determines the price of a product'. How ?

    (j) Explain the concepts of depletion and depreciation.

P.T.O.

2. Discuss the role of apex bank of our country in strengthening the economy of India.   10

3. Draw a break-even line diagram (graph paper not necessary) and explain (a) BEP, (b) MOS (Angle of incidence, (c) profit zone through the diagram.   10

4. Discuss the elements of cost. With an imaginary example, explain cost sheet.   10

5. Explain law of demand and supply. Also briefly discuss the factors influencing demand and supply.   10

6. A person is planning for his retired life. He has 10 years of his service. He would like to deposit Rs.10,000/- at the end of 1st year, and thereafter he wishes to deposit the amount with an annual increase of Rs. 5000/- for the next 9 years. The deposit will fetch him an interest rate of 12% compounded annually. Find the amount he would get from the bank on his retirement.   10

7. A person is planning to start a new project. The initial outlay is Rs.100000/- and the cash flow for the new project would be Rs. 40,000/- each year. The expected life of the project is 5 years. Find the internal rate of return for the project.   10

8. Write short notes on any two :   5×2

   (a) Public projects Vs Private projects

   (b) Elasticity of Demand

   (c) Wealth Vs Income

   (d) Law of variable proportion.