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Total Number of Pages : 02

B.Tech
REN3E001

3rd Semester Regular Examination 2019-20
ENGINEERING ECONOMICS

BRANCH : AEIE, AERO, AG, AUTO, BIOMED, BIOTECH, CHEM, CIVIL, CSE, ECE, EEE, EIE,
ELECTRICAL, ENV, ETC, IT, MANUTECH, MECH, METTA, METTAMIN, MINERAL, MINING,
MME, PE, PLASTIC, PT

Max Marks : 100

Time : 3 Hours

Q.CODE : HR695

Answer Question No.1 (Part-1) which is compulsory, any EIGHT from Part-II and any TWO from Part-III.

The figures in the right hand margin indicate marks.

Part-I

Q1 Only Short Answer Type Questions (Answer All-10) (2 x 10)

- When price of a good is Rs 12/, consumer buys 24 units, when price rise to Rs 14/ consumer buys 20 units, calculate price elasticity of demand.
- Find out the maturity value of six annual payment of Rs 10,000/ at the end of 6th year where $i=9.5%$ compounded annually.
- What is composite demand?
- Write down the characteristics of isoquant curve.
- What is annuity due? Draw the cash flow diagram of annuity due.
- Define stagflation.
- What is marginal production? Draw the diagram of MP.
- What do you mean book value?
- How CRR helps in controlling credit?
- What are the unique characteristics of a long run production function?

Part-II

Q2 Only Focused-Short Answer Type Questions- (Answer Any Eight out of Twelve) (6 x 8)

- Explain proportional methods of calculating ED and its different degrees.
- Describe two basic methods of calculating depreciation with examples.
- Initial cost of a project is Rs 50,000/, its annual operational cost from the end of first year to the end of 10th year is Rs 9000/, annual maintenance cost from the end of third year to end of tenth year is Rs 4000/, replacement cost in each 3 year is 6000/. Calculate the future value of all types of cost at the end of tenth year where $i=8.5%$ compounded annually.
- Briefly explain the characteristics of perfect competitive market.
- What is Giffen paradox?
- Illustrate the law of short run production function.
- Describe different methods of measuring national income.
- How desirability of a public project is tested in CBA method?
- Form the following information find out IRR.

Year	0	1	2	3	4	5
Cash Flow	-20,000	6,000	6,000	6,000	5,000	4,000

- Explain the factors affecting elasticity of demand of a good.
- Why is the cost curve average U shaped? Explain
- Explain how to minimize cost of a firm in long run?

Part-III

Only Long Answer Type Questions (Answer Any Two out of Four)

- Q3 a) Describe how demand and supply interacts in market to determine market price and market quantity. (8)
b) Explain how change in demand and supply can affect the equilibrium prices and equilibrium quantities. (8)
- Q4 a) Explain the functions of central bank of a country. (8)
b) Describe different measures to control inflation in present context of Indian economy. (8)
- Q5 Find out the maturity value (F_{15}), interest amount (I) and effective interest rate (i_{eff}) of Rs.1,00,000/ planned to be invested in a project for 15 years at a discount rate of 12.5% compounded annually, monthly, quarterly and daily. Compare the results and comment on it. (16)
- Q6 Selling price per unit=Rs40/
Variable cost per unit =Rs. 24/
Fixed cost=Rs16,000/
From the above particulars of a company find out
a)BEQ
b)BES
c)P/V ratio
d)Sale to earn a profit of Rs. 2,000/
e)Profit at the sale of Rs 6,0000/
f)Effect of 10% reduction in price on BEQ,BES and P/V ratio. (16)