

**MAULANA ABUL KALAM AZAD UNIVERSITY OF TECHNOLOGY, WEST BENGAL**

Paper Code : HSMC301 Economics for Engineers (Humanities-II)

UPID : 003446

Time Allotted : 3 Hours

Full Marks :70

*The Figures in the margin indicate full marks.**Candidate are required to give their answers in their own words as far as practicable***Group-A (Very Short Answer Type Question)**

1. Answer any ten of the following :

[1 x 10 = 10]

- (I) How does inflation help in the redistribution of income?
- (II) When market value of an asset is higher than book value, then depreciation is not charged (True / False)
- (III) What do you mean by Cash-flow diagram?
- (IV) The cash flows method, utilized by the internal rate of return and net present value method is known as _____
- (V) What is Inflation?
- (VI) If adequate maintenance expenditure is incurred, there is no need of charging depreciation (True / False).
- (VII) Time value of money theory describes money received in the current time which is more valuable than money received in future (True / False)
- (VIII) Cash flow is an example of an investment activity is also considered as Sale of Investment by Non-Financial Enterprise (True / False)
- (IX) The minimum expected rate of return that is needed to persuade an investor to purchase the security at given risk is ate of return (True / False)
- (X) The main objective of depreciation is calculation of net profit (True / False)
- (XI) What is Working Capital?
- (XII) The degree correlation between risk and return over a longer period of time is generally believed to be as highly positive (True / False)

Group-B (Short Answer Type Question)*Answer any three of the following*

[5 x 3 = 15]

- 2. What are the three types of cash flows presented on the statement of cash flows? [5]
- 3. What is Green Engineering? [5]
- 4. Write a short note on expenditures for on depreciable assets by the business firms. [5]
- 5. Is there any necessity of discrete probability distribution? [5]
- 6. 'Estimation is the foundation of economic analysis'--Explain. [5]

Group-C (Long Answer Type Question)*Answer any three of the following*

[15 x 3 = 45]

- 7. (a) What Is the Benefit-Cost Ratio (BRC)? [6]
(b) What Is the Benefit-Cost Ratio (BCR) Used for? [1]
(c) What Does a Benefit-Cost-Ratio Over 1.0 Suggest? [2]
(d) What are the Limitations of the BCR? [6]
- 8. (a) What is time value of money? [2]
(b) What is the difference between annually and continuously compounding interest? [4]
(c) What does net present value mean? [5]
(d) Why is the time value of money important? [4]
- 9. (a) Explain the improvement with Learning Curve. [7]
(b) What is triangulation? [8]
- 10. (a) What are the advantages of Future worth? [8]

- (b) What are the disadvantages of Future worth? [7]
11. (a) How is CPI used to measure inflation? [5]
- (b) Does an increase in CPI mean inflation? [2]
- (c) What are the probability distributions for the annual benefit and life for the following project? [8]
- The annual benefit's most likely value is \$8000 with a probability of 60%. There is a 30% probability that it will be \$5000 and the highest likely value is \$10,000. A life of 6 years is twice as likely as a life of 9 years.