



Plant Design and Economics - IX

Complete Course on Plant Design and Economics

Good Morning Question

Q-25

An industry Need Pump, Absorption Column and a Condenser to start the Plant operation. The cost of the above mentioned Equipments respectively are 10L, 20L & 12L. When the Plant Starts, the amount spend in the operation of these three equipments are 2L, 3L & 2.5L respectively. If fixed charge is charged by 20%, then calculate the total annualized cost for the Plant.

Ans: -

$$\begin{aligned}\text{Total Operational/Variable Cost} &= 2L + 3L + 2.5L \\ &= 7.5L\end{aligned}$$

$$\text{Total Fixed Cost} = 10L + 20L + 12L = 42L$$

$$\text{Yearly Fixed Cost} = 20\% \text{ of } 42L = 8.4L$$

$$\text{Total Annualized Cost} = 7.5L + 8.4L$$

$$= 15.9L = \text{Ans}$$

Ans:-

Ques 26

Fixed Capital investment for a Plant is 30L and corresponding Working capital investment is 20% of the Total Capital investment. At the Start of the Plant 25% of the WCI is used to run the Plant in order to bear the early expenses. It is observed that at the end of the year, the Company is in a total Profit of 2L such that the revenue collected is 4.5L. If 15% is charged equally during the service life then calculate the total annualized cost?

Ans $FCI = 30L$

Yearly fixed charge = 15% of $30L = 4.5L$

$$\text{Profit} = \text{TAR} - \text{TAE}$$

$$\text{TAE} = 4.5L - 2L = 2.5L$$

$$\text{Total annualized cost} = 2.5L + 4.5L =$$

$$\boxed{7.0L = \text{Ans}}$$

Ques 27

A Person took a loan of 50L at an interest rate of 10%. to complete his financial obligation. For the first 5 yr, the rate of interest is simple but after 5 yr, the lender changed it to compound for the next 5 yr. If no intermediate payments are made then calculate the total money obtained after the end of 10 yrs?

Ans: - $P = 50L, \quad i = 10\%$

$$S \Big|_{\text{After 5 yr}} = P(1+i)^n = 50L(1+0.1 \times 5) = 50L(1.5) = \underline{75L}$$

$P' = 75L, \quad i = 10\%$

$$S \Big|_{\text{After 5 yr}} = P'(1+i)^n = 75L(1+0.1)^5 = 120.78825L$$

$= 1.2078825L = \text{Ans}$

Compound interest

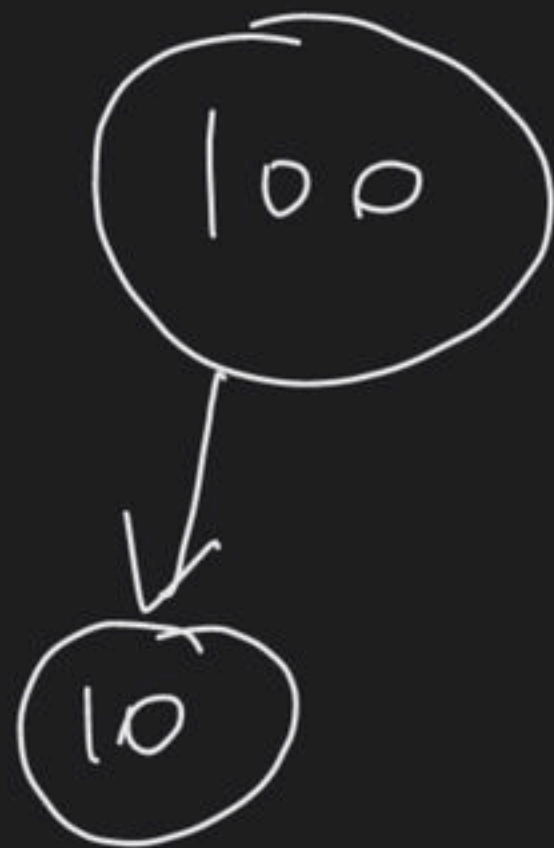
$$S = P(1+i)^n$$

↓ ↓ ↘

Compound Principal Interest
Amount Amount Rate

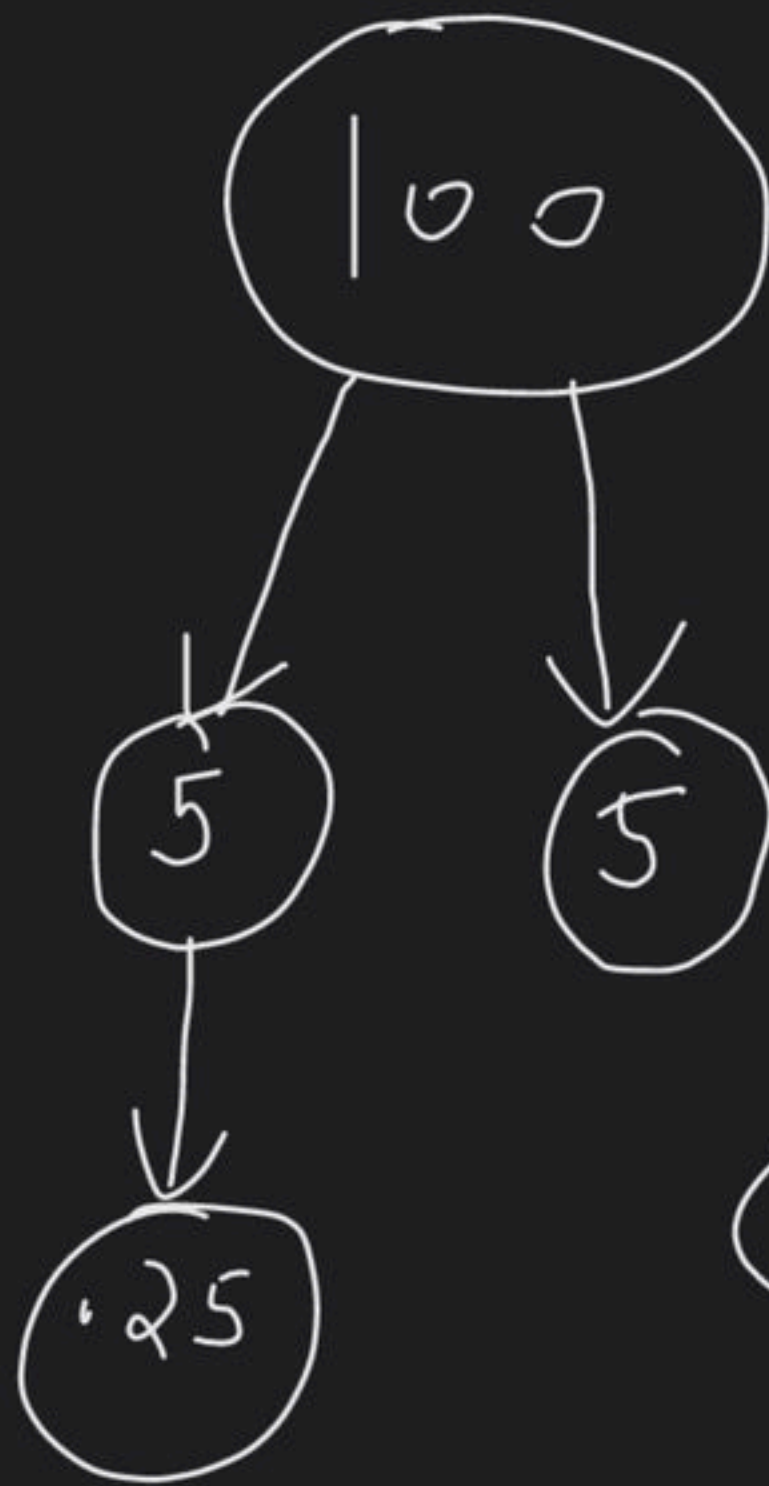
Number of years

$i = 10\%$



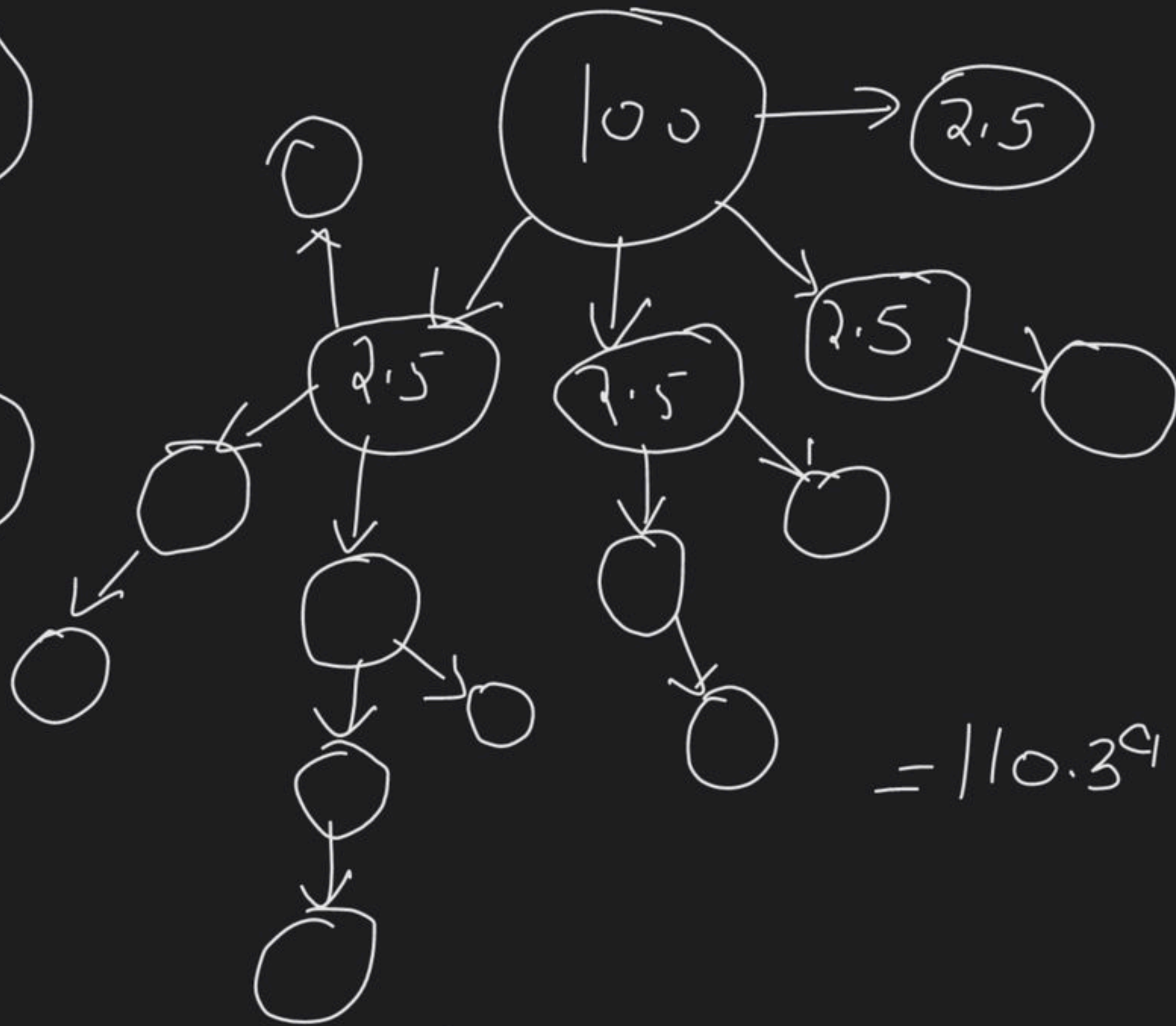
= 110

Annual



= 110.25

semi-annual



Quarterly

= 110.39

✓ 1 Lakh → Credit Card
↓
30 days

✓ 15th Feb → Spend

15th Mar → Statement

✓ 30th March → Pay

Statement Generation Date

15th

45 days

Billing Date

Pay 15 days

30k → Saving Account 2.5-3%
FD 4-4.5%

Liquid Mutual Fund 6-7%

24%

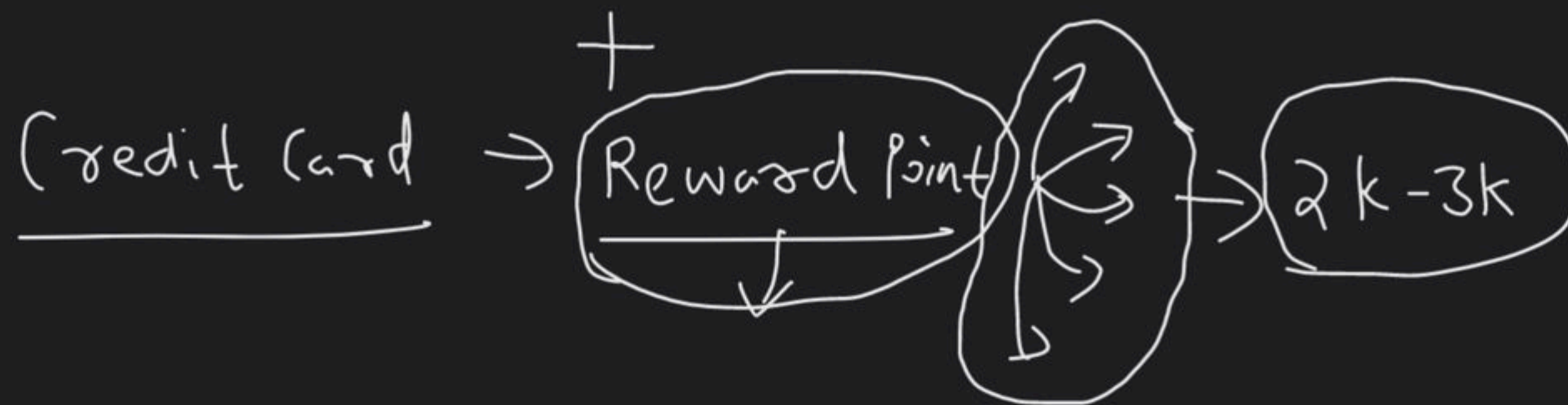
30 days →

30k → 150 ₹

1 year →

30k → 1800 ₹

Credit Card



Min 12%
+
12% Reward