

Reg.No.



MANIPAL INSTITUTE OF TECHNOLOGY
Manipal University, Manipal – 576 104



FIRST TEST
SIXTH SEMESTER B.TECH (COMMON TO ALL)
SUBJECT: ESSENTIALS OF MANAGEMENT & ENGINEERING ECONOMICS
(HSS 302)
REVISED CREDIT SYSTEM
(20/02/2016)

Time: 1 Hour.

MAX.MARKS: 20

Instructions to Candidate:

- ❖ Answer **ALL** the questions.
- ❖ Answer to the point.
- ❖ Use of Interest factor table is permitted.

PART – A

- Q1)** The term being aware while describing the steps of planning means knowing the customer needs, market, _____, our strengths and weaknesses. **[1]**
- Q2)** Which of the following skills is most important for first level managers and includes knowledge of and proficiency in activities involving methods, processes and procedures? **[1]**
- | | |
|-------------------|-------------------|
| i) Human | ii) Conceptual |
| iii) Design | iv) Technical |
| v) Administrative | vi) None of these |
- Q3)** Doing the right things is _____, doing the things right is _____ **[1]**
- Q4)** You have just received credit card applications from two banks A and B. the interest terms on your unpaid balance are stated as follows, **[1]**
- Bank A: 15% compounded quarterly
Bank B: 14.8% compounded daily
- Which of the following statements is incorrect?
- i) The effective annual rate for Bank A is 15.865%
 - ii) The Nominal interest rate for Bank B is 14.8%
 - iii) Bank B's term is a better deal because you will pay less interest on your unpaid balance.
 - iv) Bank A's term is better deal because she will pay less interest on your paid balance.
- Q5)** A man buys a car for \$3000 with no money down. He pays for the car in thirty equal monthly payments with interest 12% per annum compounded monthly what is his monthly loan payment. **[1]**

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PART - B

- Q6)** Explain the following briefly with relevant examples: [3]
a) Differentiation strategy
b) Figurehead role
c) Unity of command
- Q7)** Management by Objectives (MBO) is a joint setting of goals and objectives by superiors and subordinates. If you were responsible for setting up an MBO program, which of the four steps you would use to complete the process? [2]
- Q8)** XYZ Ltd, a leading automobile manufacturer, wants to assess its product line in the four wheeler segment so that it can classify its products based on profitability. Explain with an example which strategic planning tool would you suggest to the management of XYZ Ltd? [2]
- Q9)** NRG energy plans to construct a giant solar plant in Santa Teresa, New Mexico to supply electricity to West Texas Electric. The plant will have 3,90,000 heliostats to concentrate sunlight onto 32 water to generate steam. It will provide enough power for 30,000 homes. If the company spends \$336 million per year for two years in constructing the plant how much will the company have to make each year in 20 years to recover the investment plus 18% per year? [2]
- Q10)** Find the value of C for the given data below, $i=12\%$. [3]

Period (n)	Deposits In Rs.	Withdrawal In Rs.
0	1000	
1	800	
2	600	
3	400	
4	200	
5		
6		C
7		2C
8		3C
9		4C
10		5C

- Q11)** A series of monthly cash flows is deposited into account that earns 12% nominal interest compounded monthly. Each monthly deposit is equal to \$2100. The first monthly deposit occurred on June 1, 1998 and the last monthly deposit will be on January 1, 2005. The account (the series of monthly deposits, 12% nominal interest, and monthly compounding) also has equivalent quarterly withdrawals from it. The first quarterly withdrawal is equal to \$5000 and occurred on October 1, 1998. The last \$5000 withdrawal will occur on January 1, 2005. How much remains in the account after the last withdrawal? [3]
