

# END TERM EXAMINATION

SEVENTH SEMESTER [B.TECH.] NOVEMBER- DECEMBER 2018

Paper Code: ETCE-401

Subject: Economics for Engineers

Time : 3 Hours

Maximum Marks :75

Note: Attempt any five questions including Q. No.1 which is compulsory.

- Q1 Attempt the following:- (5x5=25)
- (a) Define time value of money?
  - (b) What do you mean by marginal utility?
  - (c) Define cross Elasticity of Demand?
  - (d) Explain Internal Rate of Return?
  - (e) Discuss public private partnership?
- Q2 (a) Explain Break Even Analysis, with the help of suitable diagram? (6)  
(b) A bonus package pays an employee Rs 1000 at the end of the first year, Rs1500 at the end of the second year and so on, for the first nine years of employment. What is the present worth of the bonus package at 6% interest? (6.5)
- Q3 (a) Differentiate between joint stock companies and partnership firms? (6.5)  
(b) What do you understand by commercial banks? (6)
- Q4 (a) Find out annual rate of depreciation based on (i) 'straight line method' and also (ii) 'declining balance method' for an asset purchased for Rs 8,00,000 having life of 4 years with zero value at the end of 4 years. (6)  
(b) What do you mean by equilibrium price under perfect competition. (6.5)
- Q5 (a) Discuss inflation and its impact on economy. (6.5)  
(b) What do you mean by Principle of Economic Equivalence? (6)
- Q6 Explain functions of Reserve Bank of India. (12.5)
- Q7 Why study of Economics is important for engineers? What is its applicability? (12.5)
- Q8 (a) What do you mean by store keeping? Give elements of material management. (6)  
(b) Explain Taxes and Subsidy and its relevance for engineering economic decision making. (6.5)

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