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Total Number of Pages: 02

B.Tech / 22CM3HS02T

3rd Semester Regular Examination: 2023-24
ENGINEERING ECONOMICS AND COSTING
BRANCH: CE, ECE, EE, EEE, ELC, IT, ME
Time: 3 Hours
Max Marks: 100
Q Code: P097

Answer Question No.1 (Part-I) 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

Q No. Q1	CO	Level	Short Answer Type Questions (Answer All-10)	(02x10)
a).	1	2	Summarize Giffen paradox	2
b).	1	3	Differentiate between Explicit cost and implicit cost	2
c).	1	1	What is law of diminishing returns?	2
d).	2	1	Define optimum firm?	2
e).	3	2	Rephrase Contribution margin?	2
f).	3	2	Interpret various types of monopolies?	2
g).	4	1	Recall social discounting rate?	2
h).	4	1	State Effective rate of interest?	2
i).	5	1	What is RBI ? Explain briefly.	2
j).	5	2	Outline various Central bank functions	2

Part-II

Q No. Q2	CO	Level	Focused-Short Answer Type Questions- (Answer Any Eight out of Twelve)	(06x08)
a)	1	3	Distinguish between Economic profit and Accounting profit?	6
b).	1	1	What do you understand by Demand function? What are the determinants of demand?	6
c).	1	2	Explain the concept of Law of supply and its exceptions?	6
d).	2	1	Recall What is production function? How many ways it is classified?	6
e).	2	3	Differentiate Nominal cost and real cost	6
f).	3	2	Outline the features of Perfect competitive market?	6
g).	3	1	Recall safety margin? How is it useful to a business decision maker?	6
h).	4	2	Illustrate and Compare NPV with IRR?	6

i)	2	2	Explain briefly the different types of market.	6
j)	5	2	Outline Functions of Commercial Banks?	6
k)	5	2	Illustrate causes of Inflation? How it is measured?	6
l)	5	1	Define National Income and tell how it is measured?	6

Part-III

Q No.	CO	Level		
Long Answer Type Questions (Answer Any Two out of Four)				(02x16)
Q3	a)	1	2	Classify various types of elasticity of demand?
	b)	1	2	Explain various factors determining the price elasticity of demand?
Q4	a)	2	2	Compare the economies and diseconomies of large scale production?
	b)	2	1	Why the Long run average cost curves are always "U" shaped?
Q5	a)	3	1	How the price-output equilibrium determined under monopoly?
	b)	3	3	If sales are 10,000 units and selling price is Rs. 20 per unit, Variable cost Rs. 10 per unit, Fixed cost Rs. 80,000. Find out Break Even Point and Break even sales? Calculate profit earned? What should be the sales for earning a profit of Rs. 60,000.
Q6	a)	4	1	Show how the desirability of public project is tested in CBA method?
	b)	4	3	A company is trying to diversify its business in a new product line. The life of the project is 10 years with no salvage value. The initial out lay of the project is Rs 20,00,000. The annual net profit is Rs 3,50,000. Find the rate of return for the new business?