



- Notes :
1. All questions carry marks as indicated.
 2. Solve Question 1 OR Questions No. 2.
 3. Solve Question 3 OR Questions No. 4.
 4. Solve Question 5 OR Questions No. 6.
 5. Solve Question 7 OR Questions No. 8.
 6. Solve Question 9 OR Questions No. 10.
 7. Solve Question 11 OR Questions No. 12.
 8. Due credit will be given to neatness and adequate dimensions.
 9. Assume suitable data whenever necessary.
 10. Diagrams and chemical equations should be given whenever necessary.
 11. Illustrate your answers whenever necessary with the help of neat sketches.

1. a) What is the importance of construction industry for economic development of country. **7**
- b) Explain backward and forward linkages of construction industry. **6**

OR

2. a) Explain Discounted cash flow and time value of money. **7**
- b) What do you understand by turn-key projects state the various steps involved in turn-key projects. **6**

3. a) M/S Elecon Engineering company is planning to expand its business activities. It has two alternative plans for the expansion programme and corresponding cash flows tabulated below. Each alternative has a life of 5 years and negligible salvage value. The minimum attractive rate of return for the company is 12%. Suggest the best alternative plan to the company. **7**

	Initial investment	Yearly Revenue
Alternative 1	Rs. 6,00,000	Rs. 1,60,000
Alternative 2	Rs. 8,00,000	Rs. 2,80,000

- b) Explain various factors of production and their relative characteristics. **6**

OR

4. a) Explain the various advantages of division of labour. **7**
- b) Explain what is foreign direct investment (FDI) state its importance for economic development. **6**

5. a) Consider the following cash flow of a project. **7**

Year -	0	1	2	3	4	5
Cash flow -	10,000	5,000	6,000	5,000	6,000	5,500

Find the rate of return of the project.

- b) Explain various laws of returns to the scale. **7**

OR

6. a) What is oligopoly state its various characteristics. 7
 b) What is monopoly state various types of monopoly. 7
 7. a) What is inflation state monetary measures to control it. 7
 b) What is recession state its impact on economy. 6

OR

8. a) Find out the present worth of the following cash flows series assume $i = 15\%$ compounded annually. 7

End of years	0	1	2	3	4	5
Cash Flow series	10,000	30,000	25,000	30,000	30,000	30,000

- b) Explain how foreign capital can help achieve economic development of the country. 6
 9. a) Explain various sources of financing the business. 7
 b) Explain the components of balance sheet. 6

OR

10. a) What is working capital How it is managed. 7
 b) Explain the features of monopolistic competition. 6
 11. a) Consider the following data 7

<u>Items</u>	<u>Rs.</u>
Net Sales	12,00,000
Fixed assets	10,00,000
Inventory	3,00,000
Net worth	8,00,000

Calculate

- 1) Net sales to net profit
- 2) Operating ratios
- 3) Net sales to fixed assets

- b) What is CIBIL state its importance. 7

OR

12. a) What is technical, marketing and financial viability of a project. 7
 b) Explain the various steps involved in a construction project of a real estate. 7
