

B.E. Eighth Semester (Civil Engineering) (C.B.S.)
Construction Economics & Finance

P. Pages : 2

Time : Three Hours

**KNT/KW/16/7547**

Max. Marks : 80

- 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. Assume suitable data whenever necessary.
 9. Illustrate your answers whenever necessary with the help of neat sketches.
 10. Use of non programmable calculator is permitted.
 11. Interest tables are allowed.

1. a) Explain the significance of construction industry in economic growth of the country. 7
- b) M/S Elecon Engineering Company wants to diversity its business into new product line. The life of the project is 10 years having no salvage value. The initial investment of the new project is Rs. 25,000. Calculate. The net annual rate of return for the new business. 6

OR

2. a) Describe why construction industry is called a key industry of India. 7
- b) Explain what are the various factors of production used in construction industry. 6
3. a) M/S Neco group of industries is planning a new project. The initial outlay and cash flow pattern for the new project are listed below. The expected life of the project is five years. Find the rate of return for the new business. 6

Period →	0	1	2	3	4	5
Cash flow (₹)	1,50,000	40,000	40,000	40,000	40,000	40,000.

- b) Explain the various stages involved in turn key projects. 7

OR

4. a) A finance company advertises two investment plans. In plan a the company pays Rs. 12,000 after 15 years for every Rs. 1000 invested now. In plan b company pays Rs. 4,000 after 10 years. For every Rs. 1000 invested now. Select the best alternative plan from investors point of view using present worth method at $i = 12\%$ compounded annually. 7
- b) What is monopoly? State the various types of monopoly. 7
5. a) what is oligopoly state the various characteristics of oligopoly. 7

- b) What is inflation? Describe the various monetary measures to control inflation. 6

OR

6. a) Explain the various characteristics of monopolistic market structure. 7
- b) Explain the importance of Foreign Direct investment (F.D.I) for economic growth of the country. 6
7. a) Project A having a total cost of Rs. 2,00,000. and project B having a total cost of Rs. 4,00,000. both have expected life span of 10 years. Uniform cash inflow is expected to be like for project A Rs. 40,000 Per/annum. and for project B Rs. 80,000 Per/annum. Salvage value expected are for A Rs. 1,40,000 declining at an annual rate of Rs. 20,000 and B Rs. 1,60,000 declining at an annual rate of Rs. 40,000. Select the project which is most economically viable. 6
- b) Explain what is credit Information Bureau of India Ltd. (CIBIL) State its significance. 7

OR

8. a) Explain what is working capital management state the important elements of it. 7
- b) Explain what is cost structure. 6
9. a) Explain what are the various sources of financing the company. 7
- b) Describe affordable housing project launched by govt of India. 6

OR

10. a) Explain what is cost of capital. 7
- b) Explain short-term & long term financing for business. 6
11. a) Explain what is cash flow. State its importance for the survival of the company. 7
- b) Describe the various factors which influences the working capital. 6

OR

12. a) What is recession how it impacts the economy as a whole. 7
- b) What is stagflation. Describe the stagflation scenario. 6
