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

P. Pages : 2

TKN/KS/16/7633

Time : Three Hours

0423

Max. Marks : 80

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Notes : 1. All Question 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 importance of construction and infrastructure in economic development & growth in India. **8**

   b) A person is planning a new business. The initial outlay and cash flow pattern for the new business are listed below. The expected life of business is five years. Find the rate of return for the new business. **5**

Period	0	1	2	3	4	5
Cash flow (Rs.)	1,00,000	30,000	30,000	30,000	30,000	30,000

   OR

2. a) Explain how construction has become a key industry in India in recent times. **8**

   b) The midcap company is trying to diversify its business in a new product line. The life of the project is 10 years with no. salvage value at the end of its life. The initial outlay of project is Rs. 20,00,000. The annual net profit is Rs. 3,50,000 find the rate of return for the new business. **5**

3. a) Explain the importance and nature of turnkey construction projects. **8**

   b) A company ABC wants to setup a reserve which will help the company to have an annual equivalent amount of Rs. 10,00,000 for the next 20 years towards its employee measures. The reserve is assumed to grow at the rate of 15 per cent annually. Find the single payment that must be made now as the reserve amount. **5**

   OR

4. a) What is labour? Explain merits and demerits of division of labour with reference to the construction industry. **8**

   b) The company xyz is planning to replace the present facility after 15 years at an outlay of Rs. 5,00,000. It plans to deposit an equal amount at the end of every year for the next 15 years at an interest of 9 percent compounded annually. Find the equivalent amount that must be deposited at the end of every year for the next 15 years. **6**

5.	a)	Make a comparison between monopoly and oligopoly market structures.	8
	b)	What is inflation? Explain how inflation is controlled?	5

OR

6.	a)	Write a brief note on the following. a) Recession b) Stagflation.	8
	b)	Explain the features of monopolistic competition.	5
7.	a)	What are the major sources of finance for construction industry in India? Explain.	8
	b)	Explain in detail as to what do you understand by project cash flows.	5

OR

8.	a)	Explain the types of foreign direct investment in infrastructure development in India.	7
	b)	Explain the institutional sources of finance for construction industry.	7
9.	a)	What do you understand by Balance sheet and profit / loss account? Explain both with the specimen.	8
	b)	From the following data calculate the Debt equity ratio. Debt = Rs. 13,500 Lakhs Equity = Rs. 6,500 Lakhs.	5

OR

10.	a)	From the following data. Calculate liquidity ratio. Quick assets = Rs. 11,000 crores Quick liabilities = Rs. 10,000 crores.	5
	b)	Discuss the affordable housing schemes floated by government of India.	8
11.	a)	Explain the meaning and cost of capital. Explain the considerations ascertaining cost of capital.	6
	b)	What are factors influencing working capital? Explain.	7

OR

12.	a)	What do you understand by working capital? How does working capital is affected by product and production process and nature of business?	7
	b)	Explain the relevance of capital structure.	7

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