

NAME OF THE SUBJECT	L	T	P	C
Engineering Economics and Costing	2	0	0	2
UNIT: I (12 Hours) Engineering Economics – Meaning, Nature, Scope, Basic problems of an economy, Micro economics and Macro Economics. Demand and Supply Analysis - Meaning of demand, Demand function, Law of Demand and its exceptions, Determinants of demand, Elasticity of demand & its measurement (Simple numerical problems to be solved) Meaning of supply, Law of supply and its exception, Determinants of supply, Elasticity of supply, Determination of market equilibrium (Simple numerical problems to be solved). Theory of Production -Production function, Laws of returns: Law of variable proportion, Law of returns to scale				
UNIT: II (12 Hours) Cost and revenue concepts, Elements of costs, Preparation of cost sheet, Segregation of costs into Fixed and variable costs. Basic understanding of different market structures, Price and output Determination under perfect competition (Simple numerical problems to be solved), Break Even Analysis - Linear approach (Simple numerical problems to be solved). Depreciation-Depreciation of capital asset, Causes of depreciation, Methods of calculating depreciation (Straight line method, Declining balance method)				
UNIT:III (12 Hours) Time value of money - Interest Analysis - Simple and compound, nominal and effective rate of interest, Cash flow diagrams, Principles of economic equivalence. Evaluation of engineering projects- Present worth method, Future worth method, Annual worth method, Internal rate of return method, Cost benefit analysis for public projects.				
UNIT:IV (10 Hours) Overview of Indian financial system. Commercial bank, Functions of commercial bank, Credit creation, Central bank, Functions of Central Bank. Inflation- Meaning of inflation, types, causes, measures to control inflation. National Income - Definition, Concepts of national income, Method of measuring national income				
Text Books 1. Vengedasalam, Deviga. Madhavan, Karunakaran, Principles of Economics, Oxford University Press. 2. R. Paneer Seelvan, “Engineering Economics”, PHI 3. Ahuja, H.L., “Principles of Micro Economics”, S.Chand & Company Ltd 4. Paul, R.R., Money, Banking and International Trade, Kalyni Publishers.				
Reference Book: 1. Riggs, J.L., Bedworth and Randhwa, “Engineering Economics”, McGraw Hill Education India 2. Park, Chan.S, “Fundamental of Engineering Economics”, Pearson. 3. Engineering Economy by William G.Sullivan, Elin M.Wicks, C. Patric Koelling, Pearson 4. Thuesen, G.J., Fabrycky, Engineering Economy, PHI.				