National Institute of Technology, Delhi

Name of the Examination: B. Tech

Branch	:EEE	**Semester**	:6th
Title of the Course	:Engineering Economics and Accountancy	**Course Code**	:MH 351 HML

Time: 2 Hours

Maximum Marks: 25

Note : All questions are compulsory.

Q1. Explain Time Value of Money in detail. Discuss the importance of alternative investment identification in the engineering economic process. (2.5)

Q2. (a) Calculate Future Value of a series of Payments: (2.5)

Years	1	2	3	4
Payment at the end of the year	5500	6500	7000	7500

I = 12%

(b) Calculate the Future Value of the following with multiple compounding period method:
P = 75,000   n = 5   I = 10%   m = half yearly i.e. 2 times (2.5)

Q3. Explain the features and importance of capital budgeting. (5)

Q4.An automobile company has purchased a wheel alignment device for Rs. 10,00,000. The device can be used for 15 years. Find the depreciation and book value with the help of Declining Balance Method at 10 percent. (5)

Q5. Discuss the difference between accounting rate of return and payback period criteria of investment decisions. Illustrate your answer with a help of hypothetical examples. Which of the two do you consider to be the more sound criterion? Why? (7.5)

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