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

Time: 2 Hours   **Maximum Marks: 30**

Note : All questions are compulsory.

Q1. "A rational human being has a time preference for money." Explain in detail. Give reason with the help of example.   (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 in detail the components of national income. What are the various methods of estimation of national income accounting?   (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. Give in detail the salient features of the New Economic Policy 1991.   (5)

Q6. Discuss the difference between accounting rate of return and payback period criteria of investment decisions. Illustrate your answer with a help of hypothetical example. Which of the two do you consider to be the more sound criterion? Why?   (7.5)

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