National Institute of Technology, Delhi

Name of the Examination: B. Tech. / M. Tech. / Ph.D.

Branch	: EEE	Semester	: 6th
Title of the Course	: Engineering Economics and Accountancy	Course Code	: MH 351
Time: 3 Hours		Maximum Marks: 50	

Note: Follow the given instructions.

Section – A

All questions are compulsory. All questions carry equal marks.   (1*10 = 10 marks)

Q1. The emphasis of Payback Period Technique is more on profitability than liquidity? (True/False)

Q2. Distinguish between fixed cost and variable cost.

Q3. What is the relationship between the price of a commodity and its demand?

Q4. Define Law of Supply?

Q5. Time value of money signifies that the value of a unit of money remains unchanged during different time periods. (True/False)

Q6. Explain inflation.

Q7. Calculate the Present Value of cash inflows. Interest rate is 10%.

Years	1	2	3	4	5
Expected cash flow	3000	4000	5000	6000	7000

Q8. What is angle of incidence in the Break-Even Graph?

Q9. Suppose Mr. Jai Singh deposited Rs. 1,00,000 in financial institute which pays him 8% compound interest annually for a period of 5 years. Show how the deposit would grow.

Q10. What is Gross Domestic product at Factor cost?

Section – B

Attempt any <u>four</u> questions. All questions carry equal marks   (4*5 = 20 marks)

Q11. Explain the features and importance of capital budgeting.

Q12. Define economics. Also discuss the flow of goods, services, resources and money payments in a simple two sector economy with the help of a suitable diagram.

Q13. Explain the objectives of monetary policy of the government of India. Examine important features of the monetary policy.

Q14. X limited company is considering the purchase of a machine. Two machines are available, E and F. the cost of each machine is Rs. 60,000. Each machine has an expected life of 5 years. Net profits before tax during the expected life of the machines are given below. Tax is 50%.

Years	Machine E	Machine F
1	15,000	5,000
2	20,000	15,000
3	25,000	20,000
4	15,000	30,000
5	10,000	20,000

Calculate the Average rate of return, average profit and average investment of both the machines.

Q15. What is Balance Sheet? What are its components and purpose of preparing it? Explain with the help of an example.

Section – C

Attempt any two questions. All questions carry equal marks.   **(2*10 = 20 marks)**

Q16. What is accounting? Explain its objectives, types and concepts.

Q17. What do you understand by the Break-Even analysis? Explain with the help of the diagram. What are the advantages and disadvantages of Break-Even analysis?

Q18. A company has purchased equipment whose first cost is Rs. 1,75,000 with an estimated life of 10 years. The estimated salvage value of the equipment at the end of its lifetime is Rs.25,000. Determine the depreciation charge and book value at the end of various years using the sum-of-the-years-digit method of depreciation.

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