

Adm  
CSE  
EEE  
TJCT  
MBA

JAYA GROUP OF INSTITUTIONS  
8<sup>th</sup> Semester – B.E  
Model Exam – III

Sub. Title : ENGINEERING ECONOMICS & COST ANALYSIS

Sub. Code : CE2451

Duration : 3Hrs

Date : 30/12/20  
Branch : CIVIL

Max.Marks:100

Answer all questions  
Part A (10 \* 2 = 20)

1. List the form of utility.
2. Differentiate 'wealth' and 'money'.
3. Define 'law of marginal utility'.
4. Distinguish between 'market price' and 'normal price'.
5. What are the qualities of an entrepreneur?
6. List the various credit instruments.
7. What kind of source of finance the retained earnings is? Substantiate your answer.
8. What are the uses of a fund flow statement?
9. State the disadvantage of payback period method of investment evaluation.
10. Distinguish between 'cost' and 'price'.

PART B (5 \* 16 = 80)

11. (a) (i) Discuss the scope of managerial economics. (8)
- (ii) Describe the peculiarities of a factor of production (8)

(Or)

- (b) (i) Explain the factors affecting the efficiency of labourers. (8)
- (ii) Enumerate the peculiarities of land. (8)

- 12.(a) (i) What is Angel curve? Draw the Angel curves for necessary, luxury and inferior goods. (8)

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(ii) Illustrate the methods of measuring the elasticity.

(8)

(Or)

12 (b) (i) What is a market? How they are classified?

(8)

(ii) Describe about the various market forms.

(8)

13 (a) Bring out the salient features of various forms of business organisations.

(16)

(Or)

(b) Clearly explain about the functions of central and commercial banks.

(16)

14. (a) (i) What are the different sources of long term and short term financing? Explain each of these.

(8)

(ii) What do you understand about capital proportioning?

(8)

(Or)

(b) Prepare a trading, profit and loss account for the year ending 30.12.2014 from the following trial balance from the books of murthy furniture mart:

Particulars (DR)	Rs.	Particulars (CR)	Rs.
Opening stock	5000	Capital	20,000
Purchases	29,200	Sales	62,500
Sundry debtors	25,000	Sundry creditors	13,400
Bill Receivable	2800	Bills payable	5000
Plant	10,000	Loans and mortgages	18,000
Interest on Loan	300	Bank overdraft	2400
Wages	15,000		
Building	24,000		
Loose tools	600		

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Cash on Hand	600		
Stationery	500		
Salaries	8200		
Discount	100		
Total	1,21,300		1,21,300

Adjustment:

Closing stock Rs.5600

Write of loose tools Rs.500

Interest on mortgage at the rate of 15% per annum

Provide interest on capital at the rate of 5% per annum

Provide 5% reserve for doubtful debts.

(16)

15.(a) (i) describe the various method of appraising the project.

(8)

(a)(ii) discuss the cost-output relationship in the short and long run.

(8)

(Or)

(b) A factory was constructed by a company at a cost Rs. 10,00,000. The company is able to sell its products at Rs. 28 per unit. The variable cost per unit is Rs.18. if the company can produce 5,000 units a month, in how many years will it break-even. If the selling price cannot be increased due to market sensitivity, but the company wants to break-even one year, what would be your suggestion?

(16)

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