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Reg. No. :

Question Paper Code : 21219

B.E./B.Tech. DEGREE EXAMINATION, MAY/JUNE 2013.

Eighth Semester

Civil Engineering

CE 2451/CE 81 – ENGINEERING ECONOMICS AND COST ANALYSIS

(Regulation 2008)

Time : Three hours

Maximum : 100 marks

Answer ALL questions.

PART A — ($10 \times 2 = 20$ marks)

1. List the main areas of application of Managerial Economics.

2. Give examples for wealth and wants.

3. How is elasticity of demand used for forecasting?

4. State the advantages and disadvantages of co operative organization.

5. Differentiate Monopoly and monopolistic competition.

6. What are the features of commercial bank?

7. Write the sources of long term and short term finance.

8. What are the objectives of fund flow statement?

9. Define Explicit and Implicit costs.

10. What is CVP Analysis?

PART B — (5 × 16 = 80 marks)

11. (a) (i) Discuss the nature and scope of Managerial Economics. (8)

(ii) Explain how managerial economics helps in solving managerial problems. (8)

Or

(b) Explain the following :

(i) Micro economics

(ii) Macro economics

(iii) Normative economics

(iv) Positive economics. (16)

12. (a) (i) Explain the factors Governing Elasticity of Demand. (6)

(ii) How will you measure elasticity of demand. Illustrate how do you interpret the different types of elasticity. (10)

Or

(b) (i) Explain how supply and demand determine the equilibrium price. What happens if the supply curve shifts to the left? (12)

(ii) Write the factors affecting the elasticity of supply. (4)

13. (a) (i) Explain the features of joint stock company. (8)

(ii) Enumerate the limits of credit creation. (8)

Or

(b) (i) State and explain the functions and services of commercial bank India. (10)

(ii) Explain about mixed economy. (6)

14. (a) Name the financial instructions available in industry to meet the financial needs. Also outline the objectives of each of these institutions.(16)

Or

(b) (i) List and explain the limitations of financial statements. (8)

(ii) Prepare a balance sheet with imaginary data and explain the terms. (8)

15. (a) (i) Explain how cost output relation ship helps entrepreneurs in expansion decisions. (10)

(ii) Expalin the following :

(1) Marginal cost pricing

(2) Going rate pricing (6)

Or

(b) A company makes a single product with a sales price of Rs.10 and a variable cost of Rs.6 per unit. Fixed cost are Rs.60,000. Calculate

(i) Number of units to break even.

(ii) Sales at break-even.

(iii) Contribution to sales ratio (in terms of percentages).

(iv) Number of units that will need to be sold at achieve a profit of Rs.10,000.

(v) Level of sales that will achieve a profit of Rs.30,000.

(vi) Given an increase in variable cost by Rs.2 per unit, and increase in the fixed cost by Rs.10,000 per annum, what will be the new BEP in units? (16)