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**Question Paper Code : 21267**

**B.E./B.Tech. DEGREE EXAMINATION, NOVEMBER/DECEMBER 2015.**

**Eighth Semester**

**Civil Engineering**

**CE 2451/CE 81/10177 GE 009 — ENGINEERING ECONOMICS AND COST ANALYSIS**

**(Regulations 2008/2010)**

**(Common to PTCE 2451 — Engineering Economics and Cost Analysis for B.E. (Part – Time) Seventh Semester Civil Engineering – Regulations 2009)**

**Time : Three hours**

**Maximum : 100 marks**

**Answer ALL questions.**

**PART A — (10 × 2 = 20 marks)**

1. Economics is considered as 'science of wealth', why?
2. State the law of diminishing marginal utility.
3. List the various market forms.
4. How tastes and preferences of consumers determine demands?
5. State the characteristics of sole proprietorship.
6. Differentiate between cash credit and account credit.
7. List the sources of short-term funds.
8. Define 'balance sheet'.
9. What is 'feasibility report'?
10. What is 'angle of incidence'?

**PART B — (5 × 16 = 80 marks)**

11. (a) Illustrate the nature and scope of engineering economics. (16)

**Or**

- (b) (i) What are the peculiarities of land? (8)
- (ii) Compare economics of small and large scale production. (8)

12. (a) (i) The price of a product is Rs. 1000 and its original quantity demanded is 10,000 units. When the price fall to Rs. 800 and the quantity demanded rises to 16,000 units. Calculate the price elasticity of demand. (6)
- (ii) Explain the factors determining elasticity of supply. (10)

Or

- (b) (i) Describe the method of deriving the selling price of a product. (8)
- (ii) Explain how supply and demand determine the equilibrium price. What happened if the supply curve shifts to right? (8)
13. (a) (i) Describe the features of Public Organisations and Joint Sector Organisations. (10)
- (ii) Compare the Capitalistic, Socialistic and Mixed economy. (6)

Or

- (b) (i) Elaborate the methods of control of credit. (10)
- (ii) Describe the functions of money (6)
14. (a) (i) Brief the need for financial analysis. (6)
- (ii) What are the uses of funds flow statement? Prepare a typical funds flow statement. (10)

Or

- (b) What are the various sources of finance for projects? Compare the advantages and disadvantages of each source. (16)
15. (a) Write short notes on:
- (i) Fixed and Variable Costs. (4)
- (ii) Did Pricing and Rate of Return Pricing. (4)
- (iii) Cost-Output Relationships. (4)
- (iv) Net Present Value. (4)

Or

- (b) In a company, sales are to the extent of Rs.1,00,000, fixed cost is Rs.20,000 and BEP is Rs.80,000. What is the profit margin? Due to control procedures, if the fixed costs are reduced to Rs.10,000, profit to Rs.5,000 and BEP is brought down to Rs.20,000, what will be the sales? (16)