

PART B — (5 × 16 = 80 marks)

11. (a) Analyze the various types of elasticity of demand and their usefulness.

Or

- (b) What is a Material? What factors would you consider while selecting a material?

12. (a) State and explain the functions and aims of value engineering. (16)

Or

- (b) What is time value of money? How is it useful in taking investment related decision? (16)

13. (a) Discuss with example, present worth method and future worth method of comparison of alternatives.

Or

- (b) What is Rate of Return method? Explain with suitable example.

14. (a) Identify the replacement problem and suggest your idea to eradicate it.

Or

- (b) What are the factors involved in determination of economic life of an asset?

15. (a) Robert & Co. purchased a Machinery on 1st April 2002 for Rs. 75,000. After having used it for three years it was sold for Rs. 35,000. Depreciation is to be provided every year at the rate of 10% per annum on declining balance method. Accounts are closed on 31st March every year. Find out the profit or loss on sale of machinery.

Or

- (b) Explain various methods of depreciation.