



**B.E/B.TECH DEGREE EXAMINATIONS: APRIL / MAY 2023**

(Regulation 2018)

Seventh Semester

**COMMON TO BIO / MCE**

U18MBT7001: Engineering Economics and Financial Management

**COURSE OUTCOMES**

- CO1:** Evaluate the economic theories, Cost concepts and pricing policies  
**CO2:** Analyze the market structures and integration concepts  
**CO3:** Understand the measures of national income, the functions of banks and concepts of globalization  
**CO4:** Apply the concepts of financial management for project appraisal  
**CO5:** Understand accounting systems and analyze financial statements using ratio analysis  
**CO6:** Design ratio-analysis and evaluate its significance

**Time: Three Hours**

**Maximum Marks: 100**

**Answer all the Questions:-**

**PART A (10 x 2 = 20 Marks)**

**(Answer not more than 40 words)**

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|--|-----|-------------------|
| 1. State the economic theories                                     | CO1 | [K <sub>1</sub> ] |
| 2. Differential incremental cost from sunk cost                    | CO1 | [K <sub>2</sub> ] |
| 3. List the motives of diversification                             | CO2 | [K <sub>1</sub> ] |
| 4. Tell the advantages and disadvantages of horizontal integration | CO2 | [K <sub>2</sub> ] |
| 5. What are the functions of money?                                | CO3 | [K <sub>1</sub> ] |
| 6. Differentiate personal income and percapita income              | CO3 | [K <sub>2</sub> ] |
| 7. List the factors affecting fixed capital requirement.           | CO4 | [K <sub>1</sub> ] |
| 8. Define sinking fund.  | CO4 | [K <sub>1</sub> ] |
| 9. What are the limitations of the ratios?                         | CO6 | [K <sub>1</sub> ] |
| 10. Tell few points about trail balance                            | CO5 | [K <sub>1</sub> ] |

**Answer any FIVE Questions:-**

**PART B (5 x 16 = 80 Marks)**

**(Answer not more than 400 words)**

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|--|---|-----|-------------------|
| 11. a) Define the term demand. Outline the factors that determine demand for a product | 8 | CO1 | [K <sub>2</sub> ] |
| b) Summarize the different types of elasticity of demand                               | 8 | CO1 | [K <sub>2</sub> ] |

12.	a)	What is cost volume profit analysis? Extend the assumptions and application of break even point analysis	8	CO1	[K <sub>1</sub> ]
	b)	Discuss the pricing policies	8	CO1	[K <sub>2</sub> ]
13.	a)	What do you understand by monopoly? Explain the features of monopoly?	12	CO2	[K <sub>2</sub> ]
	b)	Differentiate between perfect competition and monopoly	4	CO2	[K <sub>2</sub> ]
14.	a)	What is commercial banks? Rephrase its functions	8	CO3	[K <sub>3</sub> ]
	b)	Define and depict the National Income and its measuring methods	8	CO3	[K <sub>3</sub> ]
15.	a)	What is time value of money? How is it useful in taking investment related decisions?	10	CO4	[K <sub>2</sub> ]
	b)	Compute the present value of Rs. 1000 receivable 6 years hence if the rate of discount is 10 percent?	6	CO4	[K <sub>3</sub> ]
16.	a)	Organize the bookkeeping systems of single entry and double entry methods	8	CO5	[K <sub>2</sub> ]
	b)	Relate the present day and old day bookkeeping methods	8	CO6	[K <sub>2</sub> ]

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