

**N 1317**

B.E./B.Tech. DEGREE EXAMINATION, NOVEMBER/DECEMBER 2004.

Sixth Semester

Computer Science and Engineering

MG 325 — ENGINEERING ECONOMICS AND FINANCIAL ACCOUNTING

(Common to Electronics and Communication Engineering)

Time : Three hours

Maximum : 100 marks

Answer ALL questions.

PART A — (10 × 2 = 20 marks)

1. What is the significance of elasticity of supply?
2. Total fixed cost of a company is Rs. 10,00,000. Unit price of product and average variable cost are Rs. 100 and Rs. 50 respectively. Calculate break even quantity for the firm.
3. When do you use non-price competition? How?
4. What is oligopoly market?
5. Define and differentiate nominal and real national income.
6. What are the functions of central bank?
7. Why is 'discounting' used?
8. What is project appraisal?
9. What does 'liquidity' signify?
10. Define and differentiate cross-section and trend analysis.

PART B — (5 × 16 = 80 marks)

11. What are the competitive pricing methods? How are they used? Discuss the advantages of each method. Give examples.

12. (a) Draw short-run and long-run cost curves of a company. Discuss the behaviour of them using economic principles.

Or

- (b) Why is monopoly market inefficient? Discuss in detail.

13. (a) What is inflation? What are the different types of inflation? How is it caused? Explain.

Or

- (b) What is privatization? Why is privatization increased? What is the role of government? Explain.

14. (a) What are the different methods of project appraisal? What are the advantages and disadvantages of them?

Or

- (b) What are the internal sources of fund for an organization? What are the merits and demerits of each.

15. (a) What is financial performance of a company? What are the indicators and how are they used? Explain.

Or

- (b) What is Balance Sheet of an organization? Draw a hypothetical Balance Sheet. How is it used to analyze the financial performance of this organization?