

E 9117

B.Sc. (Applied Science) DEGREE EXAMINATION, NOVEMBER/DECEMBER 2005.

Fifth Semester

Apparel and Fashion Technology

FT 5.3 — ENGINEERING ECONOMICS

Time : Three hours

Maximum : 100 marks

Answer ALL questions.

PART A — (10 × 2 = 20 marks)

1. What do you mean by elasticity of demand?
2. List the various types of competition.
3. Distinguish between actual cost and opportunity cost.
4. What are the pricing policies?
5. Briefly explain the share capital.
6. What are the advantages of long-term finance?
7. What is meant by foreign exchange?
8. What is the use of purchase power parity?
9. What are the types of forecasting?
10. What are the indicators for a depression for business?

PART B — (5 × 16 = 80 marks)

11. (i) Discuss the elements of good forecasting methods. (8)
 (ii) What are the advantages and limitations of exponential smoothing method of forecasting? (4 + 4)
12. (a) (i) Discuss the basic economic concept with an illustration. (8)
 (ii) What are the importance of economic decisions? (8)

Or

- (b) (i) Discuss the factors influencing the technical decisions. (8)
(ii) Explain the concept of demand and supply with an illustration. (8)
13. (a) (i) Explain fixed and variable cost. (8)
(ii) Distinguish between incremental cost and sunk cost. (8)

Or

- (b) (i) What are the features of marginal cost? (8)
(ii) Explain the procedure to be followed in fixing price for a manufactured component. (8)
14. (a) (i) What are the characteristics of working capital? (8)
(ii) Discuss the problems in financing working capital. (8)

Or

- (b) (i) Discuss the salient features of balance sheet. (8)
(ii) What are simple and compound interests? Illustrate with suitable examples. (4 + 4)
15. (a) (i) What are roles and functions of a commercial bank. (8)
(ii) Explain the terms exchange rate and exchange control. (4 + 4)

Or

- (b) (i) What are the limitations of accounting rate of return method? (4)
(ii) What are the characteristics of capital budgeting? (4)
(iii) Explain the step by step procedure followed in preparing feasibility report. (8)