KUMARAGURU
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Register Number: ………….

B.E DEGREE EXAMINATIONS: APRIL/MAY 2016

(Regulation 2013)

Sixth Semester

U13GST005 : Engineering Economics and Financial Management

(Common to CIVIL and MCE)

Time: Three Hours   **Maximum Marks: 100**

Answer all the Questions:-

PART A (10 x 1 = 10 Marks)

1. When using conventional cost-volume-profit analysis, some assumptions about costs and sales prices are made. Which one of the following is not one of those assumptions?

    a) The costs can be expressed as straight lines in a break-even graph
    b) The actual variable cost per unit must vary over the production range
    c) The sales price will remain unchanged per unit
    d) Fixed costs will decrease per unit

2. What happens in the market for airline travel when the price of traveling by rail decreases? The demand curve shifts ------------------

3. Which of the following statements is most consistent with market expansion through globalization?

    a) By serving domestic and international markets a firm may be able to utilize its production facilities less intensively.
    b) Different locations around the world are more or less suitable for performing different business activities.
    c) Valuable skills are developed first at overseas and then transferred to foreign operations.
    d) When managers at a firm have built a valuable competency or skill, going global is often the best way to maximize the return on their investment.

4. _____ is screening new -product ideas in order to spot good ideas and drop poor ones as soon as possible.

5. Why "The market value of all final goods and services produced within a nation in a given year." This best describes:

    a) Net domestic product
    b) Gross domestic product
    c) National income
    d) Personal income

6.   ---------------- is excluded expenditures for GDP.

7.   Which of the following is an example of a capital investment project?

    a)   Replacement of worn out equipment   b)   Expansion of production facilities

    c)   Development of employee training   d)   All of the above are examples of capital
         programs   investment projects.

8.   A firm experiences ------------------ in cash balance, whose uses of cash exceed its sources of cash during an accounting period.

9.   Which of the following is considered a practical constraint on the qualitative characteristics:

    a)   Verifiability.   b)   Conservatism.

    c)   Cost effectiveness.   d)   Timeliness.

10. ---------------- are raw facts that describe a particular phenomenon and are stored in the computer for an organization's processing needs.

PART B (10 x 2 = 20 Marks)
(Answer not more than 40 words)

11. Define law of supply.

12. What is meant by cost curve? And draw the long run average cost curve.

13. List the motives of diversification.

14. Tell the advantages and disadvantages of horizontal integration.

15. What are the t types of circular flow model

16. What are the functions of money?

17. What can a project appraisal deliver?

18. Define annuities.name the type of annuities.

19. What are the limitations of the ratios?

20. Tell few points about trail balance.

PART C (5 x 14 = 70 Marks)
(Answer not more than 400 words)

Q.No. 21 is Compulsory

21. Explain in detail of break-even point and its limitations.

22. (a)   Demonstrate the types of market structure.

(OR)

    (b)   What are the three types of vertical integration and explain each?

23. (a) Define national income and summarize method of measuring National Income.

    (OR)

    (b) Explain economic liberalization in India.

24. (a) Extend the scope of financial management for the purpose of exposition.

    (OR)

    (b) Classify the source of finance. And explain it.

25. (a) (i) Explain the book keeping systems of single entry method & double entry (7) method.

    (ii) Compare the present day and old day book keeping method. (7)

    (OR)

    (b) Explain about,

    1. Test of liquidity

    2. Test of solvency

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