



B.E DEGREE EXAMINATIONS: MAY 2017

(Regulation 2014)

Sixth Semester

MECHATRONICS ENGINEERING

U14MCE101: Engineering Economics and Management

COURSE OUTCOMES

- CO1: Define the principles of engineering economy followed by basic methods for carrying out economic studies considering the time value of money
- CO2: Differentiate between the macro and micro economics
- CO3: Explain the various functions of finance and accounting process
- CO4: Explain on how to estimate a cost involved in a project
- CO5: Explain the various risks that are involved in a project
- CO6: Explain and illustrate on how to manage various functions of the project
- CO7: Describe on the function of financial systems in India

Time: Three Hours

Maximum Marks: 100

Answer all the Questions:-

PART A (10 x 1 = 10 Marks)

1.

CO4 [K₂]

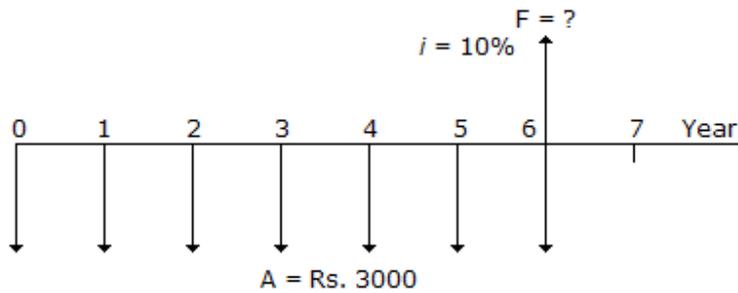
List I	List II
A. Commercial banks	i. Specialized financial institutions for economic development
B. Co operative banks	ii. Controls countries money supply and monetary policy
C. Central bank	iii. Providing credits to farmers at cheaper rates
D. Development bank	iv. Dealing with general public in making deposits and providing loans.

- | | A | B | C | D |
|----|----|-----|-----|----|
| a) | i | ii | iii | iv |
| b) | iv | iii | ii | i |
| c) | i | iv | iii | ii |
| d) | ii | iii | i | iv |

2. Which one of the following definitions is correct? CO3 [K₂]
- a) all b) The ratio of total debt to share holder's equity is called 'debt ratio'.
- c) The ratio debt-to-total assests is called Debt-to-total assest ratio d) The ratio of earnings before interest and taxes for a particular reporting period to the amount of interest charges for the period, is called interest coverage ratio.
3. Which of the following statements are correct? CO4 [K₂]
1. Loans and shares are an example for the external source of cash.
 2. Interest is the return which the company pays on borrowed funds.
 3. Current assets are also referred to as loans
 4. The process of transferring journal entry information to the ledger is called buffering
- a) 1,3 b) 1,4
- c) 1,2 d) 2,3
4. A German economist and political scientist who couldn't abide the notion of a “profit-oriented organization” was CO1 [K₂]
- a) Karl Marx b) Adam Smith
- c) Keynes d) Alfred Nobel
5. Assertion (A): The central banking functions in India are performed by the RBI CO3 [K₃]
Reason (R): Depreciation means loss of equipment over time due to wear and tear
- a) Both A and R are Individually true and R is the correct explanation of A b) Both A and R are Individually true but R is not the correct explanation of A
- c) A is true but R is false d) A is false but R is true
6. The structure that is available in an economy to mobilize the capital from various surplus sectors of the economy and allocate and distribute the same to the various needy sectors is known as ----- CO7 [K₂]
- a) Economic Environment b) Financial Market
- c) Financial System d) Financial Environment
7. Illustrate the right hierarchy of Indian bank system CO7 [K₃]
1. Public Sector Banks
 2. State Group Banks
 3. RBI
 4. Commercial Banks
- a) 2-3-4-1 b) 1-3-2-4
- c) 3-4-1-2 d) 4-1-3-2

8. In the cash-flow diagram shown in the given figure

CO1 [K₂]



- a) Equal deposits of Rs 3000 per year (A) are made, starting now
b) The rate of interest is 10% per year account
c) The amount accumulated after the seventh deposit is to be computed
d) All the above

9. Assertion (A): States earn maximum revenue through Commercial Taxes

CO4 [K₂]

Reason (R): Subsidies mean payment made by the government to business enterprises, without buying any goods and services

- a) Both A and R are Individually true and R is the correct explanation of A
b) Both A and R are Individually true but R is not the correct explanation of A
c) A is true but R is false
d) A is false but R is true

10. Choose a merger in the following examples

CO2 [K₂]

- a) Disney and Pixar
b) Hindustan lever
c) Kingfisher and Deccan
d) P & G

PART B (10 x 2 = 20 Marks)

(Answer not more than 40 words)

11. State the requirements of an estimate?

CO4 [K₂]

12. Define double entry system.

CO3 [K₂]

13. List any two differences between micro and macro economics.

CO2 [K₂]

14. State the importance of cash flow diagram.

CO1 [K₂]

15. Define staffing.

CO5 [K₂]

16. Give the functions of money.

CO1 [K₂]

17. What are a ledger and a Journal?

CO3 [K₂]

18. List any four types of banks in India.

CO7 [K₃]

19. State the effect of privatization

CO7 [K₂]

20. State the importance of team building

CO6 [K₃]

Answer any FIVE Questions:-
PART C (5 x 14 = 70 Marks)
(Answer not more than 300 words)

Q.No. 21 is Compulsory

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|--|-----------------------|
| 21. Discuss in detail the importance of project planning and scheduling. | CO6 [K ₂] |
| 22. Describe the various functions of a bank? | CO7 [K ₂] |
| 23. Explain the various types of ownerships available in India with example. | CO2 [K ₂] |
| 24. What is an accounting system? List the various functions to be maintained in an accounting system. In your own words discuss few points on the accounting system in history to current modern times. | CO3 [K ₂] |
| 25. Stating suitable examples explain the following various types of costs; | CO4 [K ₂] |
| 1) Fixed cost | |
| 2) Variable cost | |
| 3) Total cost | |
| 4) Marginal cost | |
| 5) Opportunity cost | |
| 26. Discuss in your own words on the theory of demand and supply with suitable example. | CO1 [K ₂] |
| 27. Explain the project risk management process in detail | CO5 [K ₂] |
