



. B.E. DEGREE EXAMINATIONS: NOV/DEC 2022

(Regulation 2018)

Seventh Semester

ELECTRONICS AND COMMUNICATION ENGINEERING

U18ECE0065: 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: Apply the concepts of national income and understand the functions of banks and concepts of globalization

CO4: Apply the concepts of financial management for project appraisal and working capital management

CO5: Understand accounting systems

CO6: Analyze financial statements using ratio analysis

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. Latent demand is the demand for a product that consumers can't satisfy. There are three scenarios in which this can happen: List these conditions. | CO1 | [K ₁] |
| 2. Explain the need for calculating the break-even analysis of a product. | CO1 | [K ₂] |
| 3. Recall some definitions of the firm given by renowned economists, | CO2 | [K ₁] |
| 4. Intensive growth makes sense for a company if it has not fully exploited the opportunities latent in its present products and markets. List the three major types of intensive growth opportunities | CO2 | [K ₁] |
| 5. Name the Different measures of National Income, which are expressed at factor cost (FC) and market price (mp). | CO3 | [K ₁] |
| 6. Summarize the benefits by economic liberalization? | CO3 | [K ₂] |
| 7. The sources of finance can be classified into two categories: (1) Long term Sources (2) short term sources: Tell examples of these sources. | CO4 | [K ₁] |
| 8. Outline the impacts of inadequate working capital | CO4 | [K ₂] |
| 9. In other words, fundamental accounting concepts are broad general assumptions which underline the periodic financial statements of business enterprises. Which is the most commonly used accounting concept. | CO5 | [K ₁] |
| 10. What are the advantages of ratio analysis? | CO6 | [K ₃] |

Answer any FIVE Questions: -

PART B (5 x 16 = 80 Marks)

(Answer not more than 400 words)

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|-----|----|---|----|-----|-------------------|
| 11. | a) | Product demand analysis shouldn't be wild guessing, then elucidate the five steps for studying the demand analysis of a product. | 4 | CO1 | [K ₃] |
| | b) | Compare explicit cost and implicit cost. | 12 | CO1 | [K ₂] |
| 12. | a) | Industry is a group of related firms. The concept of industry is helpful to government and businessmen to formulate their policies how are they classified. | 4 | CO2 | [K ₃] |
| | b) | If a company is planning for growth, Identify the scenario when it should choose between Integrative growth and/or Diversification Growth with types of growth possibilities in each type of growth. | 12 | CO2 | [K ₃] |
| 13. | a) | Most economists today use the term "inflation and Price Index, explain the concept of these two words and also include the Other economic concepts related to inflation. | 4 | CO3 | [K ₃] |
| | b) | The term globalisation refers to the integration of the economy of the nation with the world economy. It is a multifaceted aspect. Examine its effect on Indian Economy. | 12 | CO3 | [K ₄] |
| 14. | a) | Financial management is concerned with three key activities, explain these three functions. | 4 | CO4 | [K ₄] |
| | b) | Effective procurement and efficient use of finance lead to proper utilization of the finance by the business concern. It is the essential part of the financial manager. Hence, the financial manager must determine the basic objectives of the financial management. Objectives of Financial Management may be broadly divided into two parts in general. Extend your view on this statement. | 12 | CO4 | [K ₄] |
| 15. | a) | All banks have to perform two major primary functions namely. Explain this statement with example. | 4 | CO3 | [K ₂] |
| | b) | Financial and management accounting can be distinguished on a variety of basis like, users of information, criterion for decision making, behavioural implications, time frame, type of reports. Criticize distinctions between financial and management accounting. | 12 | CO5 | [K ₄] |
| 16. | a) | Depreciation refers to the reduction of the value of a fixed asset arising from the passage of time. As you well know, the monetary value of some fixed assets such as buildings, furniture, machinery and vehicles does not remain the same over the years. It decreases over time due to use, wear and tear or obsolescence. Explain the factors that determines amount of depreciation. | 4 | CO6 | [K ₄] |
| | b) | Although accounting ratios are calculated by taking data from financial statements but classification of ratios on the basis of financial statements is rarely used in practice. Classify the ratios in terms of financial statement using functional classification. | 12 | CO6 | [K ₄] |
