



**B.E/B.TECH DEGREE EXAMINATIONS: NOV/DEC 2024**

(Regulation 2018)

Seventh Semester

**COMMON TO BIO / MCE**

U18MBT7001: 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. List the various economic activities.  | CO1 | [K <sub>1</sub> ] |
| 2. State the different kinds of demands.  | CO1 | [K <sub>1</sub> ] |
| 3. Differentiate firm from company.   | CO2 | [K <sub>2</sub> ] |
| 4. Categorize the business partners.  | CO2 | [K <sub>2</sub> ] |
| 5. Name the methods are used to measure National Income.  | CO3 | [K <sub>1</sub> ] |
| 6. If the selling price of the vaccine is Rs. 700, and the total expenses for salaries and establishing the required scientific infrastructure amount to Rs. 32,000, what is the value created by the vaccine manufacturer? | CO3 | [K <sub>3</sub> ] |
| 7. What are the factors that contribute to inflation?   | CO4 | [K <sub>1</sub> ] |
| 8. Write the concept of the time value of money.  | CO4 | [K <sub>1</sub> ] |
| 9. Define payback period?   | CO5 | [K <sub>1</sub> ] |
| 10. Classify the financial statements   | CO6 | [K <sub>2</sub> ] |

**Answer any FIVE Questions:-**  
**PART B (5 x 16 = 80 Marks)**  
**(Answer not more than 400 words)**

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|-----|----|--|----|-----|-------------------|
| 11. | a) | Elaborate on the various methods used for demand forecasting.  | 8  | CO1 | [K <sub>3</sub> ] |
|     | b) | What is the breakeven point, and how can it be illustrated through graphical and algebraic analysis?   | 8  | CO1 | [K <sub>2</sub> ] |
| 12. |    | Explain the characteristics principles of market structure and compare the merits and demerits of different types of firms   | 16 | CO2 | [K <sub>1</sub> ] |
| 13. | a) | Enumerate Indian scenario of privatization. Distinguish globalization from privatization   | 8  | CO3 | [K <sub>1</sub> ] |
|     | b) | Summarize the various roles and responsibilities of the Nationalized bank.   | 8  | CO3 | [K <sub>3</sub> ] |
| 14. | a) | Commemorate the long term sources of finance, and its importance and policy changes  | 8  | CO4 | [K <sub>3</sub> ] |
|     | b) | In a practical manner, M/S Reliance Pvt. Ltd. offers to lease a Store to Mr. Raju for Rs. 20, 000 per month for two years. At the end of two years, he has the option to own the Store for Rs. 5, 00, 000. Raju will pay due at the end of each month. Reliance Pvt. Ltd. will sell the same Store at now itself to Raju for Rs. 7, 75, 00 cash. If the interest rate growth is 14%, which is the better offer, ready cash (or) buying a store at end of the lease period? | 8  | CO4 | [K <sub>4</sub> ] |
| 15. |    | Outline the types of book keeping with examples and describe the financial ledger and the technical terms.   | 16 | CO5 | [K <sub>2</sub> ] |
| 16. |    | Interpret the purpose of financial statement, balance sheet and income statement, how is categories of ratio analysis performed?   | 16 | CO6 | [K <sub>3</sub> ] |

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