D 30988 (Pages : 2) Name.......................................

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FIFTH SEMESTER B.TECH. (ENGINEERING) DEGREE EXAMINATION OCTOBER 2012

ME 09 503—ENGINEERING ECONOMICS AND PRINCIPLES OF MANAGEMENT

Time : Three Hours   Maximum : 70 Marks

**Section 1 (Engineering Economics) and Section 2 (Principles of Management)
are to be answered in separate answer books.**

Section 1

Part A

1. What are the factors influencing demand ?   (2 marks)
2. Define cost value.   (2 marks)
3. What are the types of efficiency ?   (1 mark)

Part B

Answer any two questions.

4. Alpha associates has the following details. Fixed cost = Rs. 20,00,000, variable cost per unit = Rs. 100, selling price price per unit = Rs. 200, find the break-even sales quantity, break even sales.

5. A student plans to deposit Rs. 600 each year in a savings account, over a period of 10 years. If the bank pays 6% per year, compounded annually, how much money will have accumulated at the end of the 10-year period ?

6. How much money must be deposited in a savings account each month to accumulate Rs. 10,000 at the end of 5 years, if the bank pays interest at the rate of 6% per year, compounded (a) monthly ? (b) semiannually ? (c) quarterly ?

                                                            (2 × 5 = 10 marks)

Part C

7. Explain the circular flow of economy in detail.

Or

8. Determine the pay-back period for a proposed investment as follows :

End year	0	1	2	3	4	5
Cash flow, Rs 1,000	−50	10	12	15	18	20

9. Define the following cost with examples :

    (a) Sunk cost.   (b) Opportunity cost.

    (c) Marginal cost.   (d) Marginal revenue.

Or

Turn over

10. ABC Corporation's stock, which currently sells for Rs. 50 per share, has been paying a Rs. 3 annual dividend per share and increasing in value at an average rate of 5% per year, over the last 5 years. It is expected that the company's stock will maintain this performance over the next 5 years. (a) What is the company's cost of the capital raised through the selling of this stock ? (b) Is this stock a good buy for an investor who expects a 9% return on his investments ?

(2 × 10 = 20 marks)

Section 2

Part A

1. What is MNC company ?   (2 marks)

2. Define marketing mix.   (2 marks)

3. Give one external source of recruitment.   (1 mark)

Part B

Answer any **two** *questions.*

4. Describe the strategic ownership.

5. Explain the average rate of return in investment decision.

6. Discuss the sales promotion and types.

(2 × 5 = 10 marks)

Part C

7. Briefly explain the management responsibilities.

Or

8. Describe the financial accounting principles and balance sheet.

9. Describe the training and development in human resource management.

Or

10. Explain the marketing communications in brief.

(2 × 10 = 20 marks)