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**FIFTH SEMESTER B.TECH. (ENGINEERING) DEGREE [REGULAR]
SUPPLEMENTARY EXAMINATION, NOVEMBER 2013**

ME 09 503—ENGINEERING ECONOMICS AND PRINCIPLES AND MANAGEMENT

Time : Three Hours

Maximum : 70 Marks

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

Section 1 (Engineering Economics)

PART A

1. List few economics goals. (2 marks)
2. Define value efficiency. (2 marks)
3. What is economic efficiency ? (1 mark)

PART B

4. Consider the following data of company for the year 1997 : Sales = Rs. 1,20,000, Fixed cost = Rs. 25,000, Variable cost = Rs. 45, 000. Find : (a) M.S, (b) Profit, (c) BEP.
5. A student deposits Rs. 1,000 in a savings account that pays interest at the rate of 6 % per year, compounded annually, if all of the money is allowed to accumulate, how much will the student have after 12 years ? Compare this with the amount that would have accumulated if simple interest had been paid.
6. A certain sum of money will be deposited in a savings account that pays interest at the rate of 6 % per year, compounded annually. If all of the money is allowed to accumulate, how much must be deposited initially so that Rs. 5,000 will have accumulated after 10 Years ?

(2 × 5= 10 marks)

PART C

7. Describe the elements of costs in detail.

Or

8. A house is being advertised for sale by the owner. An investor estimates that the property could be rented out for Rs. 600 per month. Taxes and minor maintenance expenses are estimated at Rs. 1,200 per year. The house has been recently remodeled and the tenant should have to pay all utilities. The investor thinks he could sell the house for Rs. 85,000 after 5 years. What is the largest amount that the investor can offer for the property if his MARR is 12 % compounded monthly ?

Turn over

9. Explain the break even analysis with break even chart.

Or

10. Determine the present worth of the following cash flows, based on an interest rate of (a) 10 % per year, (b) 15 % per year, compounded annually. Explain the results.

<i>End of year</i>	:	0	1	2	3	4	5
<i>Cash flow, Rs. 1000</i>	:	3	6	4	1	7	5

(2 × 10 = 20 marks)

Section 2 (Principles of Management)

PART A

1. What is decision making? (2 marks)
2. Define marginal costing. (2 marks)
3. Give *one* example for line organization. (1 mark)

PART B

4. Discuss about the organizational variances in strategies plan.
5. Explain the sales variance concept.
6. Describe the needs for marketing information.

(2 × 5 = 10 marks)

PART C

7. Explain the strategy formulation process.

Or

8. Describe the network analysis in project planning.
9. Discuss the organizational structure in detail.

Or

10. Explain the Gantt charts in detail.

(2 × 10 = 20 marks)