



PAPER II

B. Tech.

(SEM. III) (ODD SEM.) EXAMINATION, 2010-11

ENGG. ECONOMICS & COSTING

Time : 3 Hours]

[Total Marks : 100

Note : Attempt all questions :

1 Attempt any five parts :

4×5=20

- (a) Explain IRR and its advantages.
- (b) Differentiate between future worth and present worth.
- (c) Differentiate simple interest and compound interest.
- (d) Explain Break even analysis.
- (e) What is cash flow diagram and its advantages?
- (f) Find the worth of Rs. 5000 after two years if interest paid is 1% monthly compounded monthly.

2 Attempt any five parts :

4×5=20

- (a) What do you understand by quantification of project?
- (b) Discuss misconception of IRR.
- (c) What is cost benefit analysis? Also write its advantages.

- (d) Write a short note on relevant cost of decision making.
- (e) What do you understand by deferred investments give examples?
- (f) Write down advantages of depreciation calculation.

3 Attempt any two of the following : 2×10=20

- (a) Describe the method of determining IRR using a suitable example.
- (b) If you deposit Rs. 20000 annually, at the end of each year, for 10 years and interest paid is 10% annual compounded annually, what will be the maturity amount?
- (c) Explain any two depreciation calculation methods in detail.

4 Attempt any two parts : 2×10=20

- (a) Write a detailed note on cost reduction and cost control techniques.
- (b) Explain the procedure of standard costing in general. Also discuss its advantages.
- (c) Determine future worth of Rs. 10000 after 5 years, if interest paid is 12% annual compounded monthly. Find the same again if interest paid is same but compounded quarterly of a year.

5 Attempt any two parts :

2×10=20

- (a) How depreciation and tax are related explain with the help of any suitable example?
- (b) Write a detailed note on analysis of public projects.
- (c) What is break even analysis? Also discuss its advantages.
Fixed cost of manufacturing a product is Rs. 2 lacs.
Cost of manufacturing unit product is Rs. 20. If manufacturer want to break even in one year by producing 25000 units, what should be the unit of sales price?