

B. TECH. SEM – III (CIVIL ENGG.) 2014 COURSE) (CBCS) :
SUMMER - 2018

SUBJECT : ENGINEERING ECONOMICS & FINANCIAL ACCOUNTING

Day : **Wednesday**
Date : **23/05/2018**

S-2018-2232

Time : **02.30 PM TO 05.30 PM**
Max. Marks : 60

N.B.:

- 1) All questions are **COMPULSORY**.
- 2) Figures to the right indicate **FULL** marks.
- 3) Use of non-programmable **CALCULATOR** is allowed.
- 4) Draw neat and labeled diagram **WHEREVER** necessary.
- 5) Assume suitable data if necessary.

- Q.1** a) What is a law of demand? [05]
b) What are the factors influencing production of construction? [05]

OR

- a) What is the law of supply? [05]
b) Explain the scope of the engineering economics. [05]

- Q.2** a) Explain, time value of money, future value and present value. [03]
b) If you require a 9% annual return on your investment, what would you prefer [07]
₹ 15,000 five years from today or annuity of ₹ 1,000/- per year for 15 years.

OR

- a) Explain cash flow diagram. [03]
b) If you deposit ₹ 45,000 into an account earning 4% interest compounded [07]
quarterly and yearly. How much would you have in 5 years?

- Q.3** a) A company is considering an investment in a machine that requires an initial [07]
net investment of ₹ 3,00,000/- with an expected cash flow generated over the
next three years as follows:

| Year | 1 | 2 | 3 | 4 | 5 |
|-----------|--------|--------|----------|----------|----------|
| Cash flow | 75,000 | 95,000 | 1,00,000 | 1,50,000 | 1,75,000 |

Assuming discount rate of 5% determine the expected NPV of the project.

- b) Define benefit cost ratio and give its formula. [03]

OR

- a) Explain break even analysis with suitable example. [08]
b) What is internal rate of return? [02]

- Q.4** a) What are the different methods of depreciation? Explain straight line method [08]
with suitable example.
b) What is Value Engineering? [02]

OR

- a) Explain declining balance method with suitable example. [07]
b) What are the applications of value engineering? [03]

- Q.5** a) What is balance sheet? [05]
b) What is financial statement? [05]

OR

- a) Enlist the different methods of accounting. Explain cash basis of accounting [06]
method.
b) What are the different charts of accounts? [04]

- Q.6** a) What are the different types of capitals? [06]
b) Explain the role of financial institutions. [04]

OR

- a) What are the different methods of obtaining finance for construction project? [05]
b) Explain RBI government of India guidelines for foreign funding. [05]

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