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 : $4 \times 5 = 20$
   
   (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 : $4 \times 5 = 20$
   
   (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: 2x10=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 laces.
   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?