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Question Paper Code : 91702

B.E./B.Tech. DEGREE EXAMINATION, NOVEMBER/DECEMBER 2014.

Seventh Semester

Computer Science and Engineering

MG 2452/MG 52/10177 GE 007 — ENGINEERING ECONOMICS AND FINANCIAL ACCOUNTING

(Common to Fifth Semester Information Technology)

(Regulation 2008/2010)

Time : Three hours   Maximum : 100 marks

Answer ALL questions.

PART A — (10 × 2 = 20 marks)

1. What are the various objectives of Business firms?

2. What are the principles involved in the following?

    (a) The labourers of village B buy more of Wheat when Price of Wheat increases.

    (b) When the price of kerosone oil is increased, there are big queues to buy kerosone.

3. What is the formulae for the cross elasticity of demand?

4. List out the contributions elements for demand of any commodity.

5. Write down the basic assumptions of productive function.

6. What is meant by Comparative cost?

7. What is price Discrimination?

8. What is oligopoly?

9. Write down the typical format for P and L Account?

10. Write down the formula for the following.

    (a) Debt-Equity Ratio

    (b) Return on Total Assets.

PART B — (5 × 16 = 80 marks)

11. (a) "Profit Maximization and social responsibility are in compatible" – Do you agree with this statement.

Or

(b) Can Modern firms have Profit Maximization as the only Goal?

12. (a) Explain the Law of Demand. Besides the price of commodity, what are the other factors which influence the demand for commodity?

Or

(b) What do you mean by negative – Income elasticity of Demand? Give illustrations.

13. (a) Explain with Illustrations the Law of Dimishing Returns.

Or

(b) What are the different types of Cost? Explain MC and AC and their relationships?

14. (a) Explain with Illustration how Monolopy Price is fixed.

Or

(b) Explain when is price Discrimination Possible. When will it be profitable?

15. (a) A company has to choose one of the following two mutually exclusive Projects. Investment required for each project is Rs. 15,000. Both Projects have to be depreciated on a straight line basis. The Tax Rate is 50%. Calculate the Pay Back Period.

Year	Project – A (Rs.)	Project – B (Rs.)
1	4,200	4,200
2	4,800	4,500
3	7,000	4,000
4	7,000	5,000
5	2,000	10,000

Or

(b) A project proposal cost Rs. 3,00,000. Depreciation to be written of 10% at straight line method. The income from the project is likely to be expected before depreciation is as follows.

I Year	Rs. 1,75,000
II Year	Rs. 1,75,000
III Year	Rs. 1,25,000
IV Year	Rs. 75,000
V Year	Rs. 70,000

Total Return is Rs 6,20,000. Calculate Average earnings and Annual Rate of Return.