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Code No. : 16331 A S

VASAVI COLLEGE OF ENGINEERING (AUTONOMOUS), HYDERABAD*Accredited by NAAC with A++ Grade***B.E. VI-Semester Advance Supplementary Examinations, August-2022****Economics and Finance for Engineers**

(Common to EEE, ECE & I.T)

Time: 3 hours

Max. Marks: 60

*Note: Answer all questions from Part-A and any FIVE from Part-B***Part-A (10 × 2 = 20 Marks)**

Q. No.	Stem of the question	M	L	CO	PO
1.	Define demand.	2	1	1	9
2.	Give the Law of demand statement.	2	1	1	9
3.	State the purpose of cost sheet preparation.	2	4	2	9
4.	How do you identify Break-even point in a break even chart? Show with diagram.	2	2	2	9
5.	What is net working capital? Give the formula.	2	1	3	11
6.	What does IRR signifies.	2	4	3	11
7.	State the purpose of preparation of Trial Balance.	2	3	4	4
8.	What is ratio analysis?	2	2	4	4
9.	When is GST introduced and why?	2	1	5	12
10.	What is a previous year?	2	2	5	12
Part-B (5×8 = 40 Marks)					
11. a)	Explain the difference between economies and diseconomies of scale with examples.	4	3	1	9
b)	Differentiate price, income, cross and advertising elasticity with formulas.	4	3	1	9
12. a)	Explain any four methods of pricing with suitable examples.	4	2	2	9
b)	Give a specimen format of cost sheet with at least two examples under each head.	4	3	2	9
13. a)	Calculate Cash flows after taxes from the returns before depreciation and tax provided with. The four years returns are Rs. 40000, 60000, 75000 and 90000 for an investment proposal of Rs.80000. Assume tax rate as 50%. Show data in a tabular form.	4	4	3	11
b)	Discuss the components of working capital.	4	1	3	11

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14. a)	Distinguish trading account from balance sheet and state the significance of preparing them.	4	4	4	4
b)	Calculate Cost of goods sold ratio, Current ratio Interest coverage ratio and operating profit ratio from the given information Sales Rs.250000, net purchases Rs.75000, direct wages Rs.12000, opening stock Rs.20000, interest Rs.8000, closing stock Rs.12000, quick assets Rs.18000, operating expenses Rs.6000, current liabilities Rs.20000.	4	4	4	4
15. a)	Explain CGST and SGST with suitable examples.	4	2	5	12
b)	Calculate tax according to old regime (latest). Gross salary Rs.125000, professional tax Rs.2400, loss from self occupied house property Rs.12000, income from let out house property Rs.50000, income from business or profession Rs.12000. Total deductions allowable are nil.	4	4	5	12
16. a)	Explain the types of price elasticity of demand with suitable diagrams.	4	2	1	9
b)	Calculate p/v ratio, break-even sale, margin of safety and sales to earn a desired profit of Rs.20000. sales Rs.800000, variable cost Rs.300000 and fixed cost Rs.200000.	4	3	2	9
17.	Answer any <i>two</i> of the following:				
a)	Calculate NPV for a project requiring Rs.200000 outlay with cash inflows for 4 years being 25000, 50000, 60000, 72000 (all in rupees) claiming a discount rate of 10%	4	2	3	11
b)	Explain the merits of ratio analysis.	4	2	4	4
c)	Give the new and old regime tax rates (latest)	4	1	5	12

M : Marks; L: Bloom's Taxonomy Level; CO; Course Outcome; PO: Programme Outcome

i)	Blooms Taxonomy Level - 1	20%
ii)	Blooms Taxonomy Level - 2	32.5%
iii)	Blooms Taxonomy Level - 3 & 4	47.5%

VIIth Sem
A11