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Code No. : 15151 N/O

**VASAVI COLLEGE OF ENGINEERING (AUTONOMOUS), HYDERABAD**

Accredited by NAAC with A++ Grade

**B.E. V-Semester Main & Backlog Examinations, Jan./Feb.-2024****Economics and Finance for Engineers**

(Common for Civil, CSE &amp; AIML)

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.	Distinguish between Economic and Non-Economic Activities.	2	4	1	9									
2.	What is meant by Demand?	2	1	1	9									
3.	X Co. Ltd. Furnishes the following information:	2	2	2	11									
	<table border="1"> <thead> <tr> <th>Particulars</th> <th>2022</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>Sales (Rs.)</td> <td>1,20,000</td> <td>1,40,000</td> </tr> <tr> <td>Profit (Rs.)</td> <td>8,000</td> <td>13,000</td> </tr> </tbody> </table>	Particulars	2022	2023	Sales (Rs.)	1,20,000	1,40,000	Profit (Rs.)	8,000	13,000				
Particulars	2022	2023												
Sales (Rs.)	1,20,000	1,40,000												
Profit (Rs.)	8,000	13,000												
	You are required to compute P/V ratio													
4.	What is the difference between Historical cost and Sunk Cost?	2	4	2	9									
5.	What is Accounting Cycle?	2	1	3	9									
6.	What is a Balance Sheet?	2	1	3	9									
7.	Determine the sales of the firm with the following financial data:	2	2	4	4									
	a. Current ratio 1.5 b. Acid Test Ratio 1.2 c. Current liabilities = Rs. 4,00,000 d. Inventory Turnover Ratio 5 times													
8.	What are the uses of Trial Balance?	2	4	4	4									
9.	What are peer to peer lending platforms?	2	1	5	11									
10.	Differentiate the IRR and NPV.	2	4	5	11									
	<b>Part-B (5 × 8 = 40 Marks)</b>													
11. a)	How economics is relevant for Engineers? How it is useful in decision making?	4	4	1	9									
b)	If the quantity demanded of rice is 100 kgs at a price of Rs.16 and 120 kgs at a price of Rs.20. Find the price elasticity of demand.	4	2	1	9									
12. a)	What is meant by Break Even Analysis? Discuss the limitations of this technique.	4	1	2	11									

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b)	Prepare cost sheet from the following information: Purchase of Raw Material Rs.120000, Direct wages Rs.4000, indirect material consumption Rs.2200, factory expenses Rs.3000, administrative overheads Rs.4000, selling and distribution overheads Rs.3000, opening stock of raw material Rs.12000, closing stock of raw material Rs.2000.	4	2	2	11
13. a)	What is meant by Journal? Give the rules and advantages of journalizing.	4	1	3	9
b)	Prepare the Profit & Loss account with hypothetical figures.	4	2	3	9
14. a)	Discuss the merits of ratios.	4	1	4	4
b)	The following information of a company is given: Current Ratio, 2.5:1 Acid test Ratio 1.5:1 Current Liabilities Rs. 5,00,000 Find out: (a) Current Assets (b) Liquid Assets (c) Inventory	4	2	4	4
15. a)	Discuss crowd funding and start up financing.	4	2	5	11
b)	Vishnu company is considering two mutually exclusive projects X and Y. Project X involves an outlay of Rs. 10,00,000, which will generate an expected cash inflow of Rs. 2,50,000 per year for 6 years. Project Y involves cash outlay of Rs. 5,00,000, which will produce an expected cash inflow of Rs. 1,30,000 per year for 5 years. The company's cost of capital is 10 percent. Calculate NPV and state the acceptability of the proposal.	4	3	5	11
16. a)	What is Price Elasticity? How it is useful in decision making?	4	4	1	9
b)	Differentiate the Short run and Long run costs.	4	4	2	9
17.	Answer any <i>two</i> of the following:				
a)	Compare trading and profit and loss account.	4	4	3	9
b)	Calculate operating ratio, cost of goods sold ratio, interest coverage ratio and creditors turnover ratio from the given information: Sales Rs.200000, Gross Profit Rs.25000, administrative expenses Rs.5000, selling and distribution overheads Rs.1000, debtors Rs.12000, Creditors Rs.8000, 10% debentures of Rs.100000, direct expenses Rs.20000, opening stock Rs.15000 and closing stock Rs.5000.	4	2	4	4
c)	What are the Discounted Cash Flow Techniques in Capital Budgeting?	4	2	5	11

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

i)	Blooms Taxonomy Level – 1	25%
ii)	Blooms Taxonomy Level – 2	40%
iii)	Blooms Taxonomy Level – 3 & 4	35%

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