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Code No. : 15243 S N/O

VASAVI COLLEGE OF ENGINEERING (AUTONOMOUS), HYDERABAD

Accredited by NAAC with A++ Grade

B.E. V-Semester Supplementary Examinations, June-2023

Economics and Finance for Engineers

(N : CSE & AIML O : Civil)

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.	Explain the difference between Micro and Macro Economics.	2	2	1	9
2.	Outline the concept of 'Supply'.	2	1	1	9
3.	Explain about Fixed cost and Variable cost with examples.	2	2	2	11
4.	Draw the break even chart and name the curves.	2	2	2	11
5.	What are the concepts of Working Capital?	2	1	3	11
6.	List out any 4 sources of short term finance for a business firm.	2	1	3	11
7.	Outline the purpose of preparing balance sheet.	2	2	4	4
8.	What is EPS? Quote the formula to calculate EPS.	2	1	4	4
9.	Outline the difference between Long Term Capital Gain and Short Term Capital Gain.	2	2	5	11
10.	List out any 4 incomes chargeable under the head income from other sources.	2	1	5	11
Part-B (5×8 = 40 Marks)					
11. a)	State 'Law of Demand' and analyze the exceptions to 'Law of Demand'	4	4	1	9
b)	Explain types of <u>price elasticity</u> of demand	4	2	1	9
12. a)	Explain <u>any 4</u> methods of pricing	4	2	2	9
b)	The Actual Sales of a firm during 2022 is Rs.8, 00,000/- and Variable Cost is Rs.3, 00,000/- Fixed Cost Rs.2, 00,000/-. You are required to calculate: i) P V Ratio, ii) Break-Even Sales iii) Margin of Safety iv) Sales required to earn a profit of Rs.1,50,000/-	4	4	2	11
13. a)	Identify <u>any 4</u> determinants of working capital	4	3	3	11

b) Alfa Ltd is considering to purchase a new machine having an initial investment of

Rs. 4,00,000/- Expected cash inflows after tax (CFAT) are as follows:

Year	01	02	03	04	05
Cash inflows after Tax (CFAT) (Rs.)	40,000	1,20,000	1,60,000	2,40,000	1,60,000

Company cost of capital is 10%. Examine whether to buy the machine or not (using Net Present Value method) and comment.

4 4 3 11

14. a) Analysis the types of financial statements

4 4 4 11

b) The following is the balance sheet of. X ltd., as on 31st April 2022

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Liabilities	Rs	Assets	Rs
Share capital	12,50,000	Fixed Assets	15,00,000
Long Term Loans	10,00,000	Sundry Debtors	6,00,000
Sundry Creditors	3,00,000	Stock on hand	2,00,000
Outstanding expenses	3,50,000	Cash at bank	6,00,000
Total	29,00,000	Total	29,00,000

Additional information: Net Sales (Credit) Rs.10,00,000/- Gross profit Rs. 3,00,000/-

Calculate: a) Current ratio b) Debtors Turnover Ratio c) Gross Profit Ratio D) Debt -Equity Ratio

15. a) What do you mean by 'Indirect Tax'? Expand the terms GST,CGST,SGST and IGST

4 1 5 12

b) From the following particulars of Mr P who is working in a private company in Hyderabad. Calculate the amount of Exempted House Rent Allowance (HRA) and Taxable HRA.

4 4 5 12

Basic Salary of Rs.80,000/- per annum. D.A Rs.8000/- per annum (which does not enter into retirement benefit) Bonus: 30000/- per annum. House Rent Allowance: Rs 43000/- per annum Actual Rent Paid Rs.41000/- per annum

16. a) Analyze the nature of Managerial economics

4 4 1 11

b)	<p>From the following data you are required to prepare a Cost Sheet for the month ending December 2022:</p> <p>Direct Material: Rs.51000/-. Direct Labour : Rs 5000/-. Direct Expenses: Rs.4000/-.</p> <p>Over heads are to be charged as follows:</p> <p>Factory Overheads 10% on Prime Cost</p> <p>Opening stock of work in progress: Rs.1800/-</p> <p>Closing stock of work in progress: Rs.1200/-</p> <p>Office Overheads @15% on Factory Cost.</p> <p>Selling and Distribution Overheads are to be charged @ 5% on Cost of Production.</p> <p>Profit is to be charged @ 20% on cost.</p>	4	4	2	11												
17.	Answer any <i>two</i> of the following:																
a)	<p>A project requires an investment of Rs.10, 00,000/-. The Accounting Profits After Tax are estimated as follows:</p> <table border="1" data-bbox="319 940 670 1187"> <thead> <tr> <th>Year</th> <th>Rs</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>1,00,000</td> </tr> <tr> <td>2</td> <td>2,50,000</td> </tr> <tr> <td>3</td> <td>3,50,000</td> </tr> <tr> <td>4</td> <td>3,00,000</td> </tr> <tr> <td>5</td> <td>2,60,000</td> </tr> </tbody> </table> <p>Calculate Accounting Rate of Return</p>	Year	Rs	1	1,00,000	2	2,50,000	3	3,50,000	4	3,00,000	5	2,60,000	4	4	3	11
Year	Rs																
1	1,00,000																
2	2,50,000																
3	3,50,000																
4	3,00,000																
5	2,60,000																
b)	Explain the classification of ratios on the basis of "Liquidity". How do you interpret the Liquidity ratios?	4	2	4	4												
c)	Draw the format to compute "INCOME FROM HOUSE PROPERTY"	4	4	5	12												

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

i)	Blooms Taxonomy Level – 1	24%
ii)	Blooms Taxonomy Level – 2	32%
iii)	Blooms Taxonomy Level – 3 & 4	44%
