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Code No. : 16344 N/O

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

Accredited by NAAC with A++ Grade

**B.E. VI-Semester Main & Backlog Examinations, May/June-2023****Economics and Finance for Engineers**

(Common to EEE, ECE &amp; IT)

**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.	What is Micro Economics?	2	1	1	9
2.	Differentiate internal and external economics of scale.	2	3	1	9
3.	What is the difference between Variable cost and Fixed Cost?	2	3	2	11
4.	From the following information, calculate the break-even point in units Output = 3,000 units Selling price per unit = Rs. 30 Variable Cost Per Unit = Rs. 20 Total Fixed Cost = Rs. 20,000	2	2	2	11
5.	What is Accounting Rate of Return?	2	1	3	11
6.	Briefly explain any 4 long term sources of finance?	2	1	3	11
7.	Analyze the purpose of preparing the Profit & Loss account.	2	3	4	4
8.	Given: Current Ratio 2.8:1 Acid Test Ratio 1.5:1 Working Capital Rs. 1,62,000 Find out: (a) Current Assets (b) Liquid Assets	2	4	4	4
9.	Analyze the difference between Allowances & Perquisites?	2	4	5	12
10.	Briefly explain about the CGST.	2	1	5	12
<b>Part-B (5 × 8 = 40 Marks)</b>					
11. a)	State Law of Demand and explain the exceptions to it	5	1	1	9
b)	If the quantity demanded of rice is 4 kgs at a price of Rs.60 Per Kg and 5 kgs at a price of Rs.50 per kg. Find the Price elasticity of demand using Point Method.	3	2	1	9
12. a)	"Break Even Analysis is fundamentally on a Static analysis". Discuss and explain the limitations of BEA.	5	2	2	11

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b)	Mr. Suvid furnishes the following data relating to the manufacture of a standard product during the month of April 2023: Raw Material consumed Rs. 60,000 Direct labour charges Rs. 36,000 Machine hours worked 3,600 hrs Machine hour rate Rs. 5 Administrative overheads 20% on works cost Selling overheads Re. 1 per unit sold Units produced and sold 10,000 at Rs. 20 per unit You are required to prepare a cost sheet from the above, showing: (a) Cost per unit (b) Profit per unit for the period.	3	4	2	11
13. a)	Define Capital Budgeting and explain how Discounting Capital Budgeting techniques are different from Non-discounting Capital budgeting techniques?	5	2	3	11
b)	Explain any 3 Determinants of working capital	3	3	3	11
14. a)	What do you mean by financial statements? Discuss their utility to the management and others who are interested in the business.	5	2	4	4
b)	Shiva & Co. supplies you the following information regarding the year ending Dec 31, 2022: Net Sales Rs. 2,75,000/- Opening stock Rs 25,000; Closing stock Rs. 30,000; Gross Profit ratio is 25%. Find out Inventory Turnover Ratio.	3	4	4	4
15. a)	What are the deductions available from Income from House Property?	3	2	5	12
b)	What do you mean by House Rent allowance? Mention the conditions to calculate exempted HRA	5	3	5	12
16. a)	What is price elasticity of demand and explain the types of price elasticity of demand?	4	4	1	9
b)	Discuss any 4 methods of pricing.	4	2	2	11
17.	<b>Answer any two of the following:</b>				
a)	What is meant by Working capital? Give a note on components of Working Capital	4	2	3	11
b)	What is the importance of Liquidity Ratios and how do you interpret?	4	3	4	4
c)	Give a brief note on various heads of income under Income Tax Act	4	2	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	36%
iii)	Blooms Taxonomy Level - 3 & 4	44%

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