

Hall Ticket Number:

Code No. : 16317

VASAVI COLLEGE OF ENGINEERING (Autonomous), HYDERABAD**B.E. (CBCS) VI-Semester Main Examinations, January-2021****Economics and Finance for Engineers**

(Common to EEE, ECE & IT)

Time: 2 hours

Max. Marks: 60

*Note: Answer any NINE questions from Part-A and any THREE from Part-B***Part-A (9 × 2 = 18 Marks)**

Q. No.	Stem of the question	M	L	CO	PO																																		
1.	Compare micro and macro economics.	2	2	1	9																																		
2.	Define Managerial economics.	2	1	1	9																																		
3.	Explain implicit and explicit cost with suitable examples.	2	1	1	9																																		
4.	Explain the costs incurred in the long run.	2	1	1	9																																		
5.	What do you understand by Capital Budgeting?	2	1	3	11																																		
6.	Discuss the superiority of net working capital over gross working capital.	2	4	3	11																																		
7.	Explain the significance of ratios.	2	4	4	4																																		
8.	What is the purpose of Financial Statements?	2	4	4	4																																		
9.	What do you mean by CGST? Give example.	2	1	5	11																																		
10.	What do you mean by IGST? Give example.	2	1	5	11																																		
11.	Discuss Price Elasticity of Demand?	2	1	1	9																																		
12.	State the importance of breakeven analysis in decision making.	2	1	1	9																																		
Part-B (3 × 14 = 42 Marks)																																							
13. a)	Discuss various Internal Economies of Scale with suitable examples	7	2	1	9																																		
b)	What do you mean by Demand? Explain demand determinants.	7	1	1	9																																		
14. a)	Discuss briefly the Methods of Pricing with suitable examples.	7	2	1	9																																		
b)	From the following information, prepare a Cost Sheet for the month of Nov. 2020:	7	3	1	9																																		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: right;">Rs.</th> </tr> </thead> <tbody> <tr> <td>Stock on Hand- 1st Nov. 2020:</td> <td></td> </tr> <tr> <td>Raw Materials</td> <td style="text-align: right;">25,000</td> </tr> <tr> <td>Finished Goods</td> <td style="text-align: right;">17,300</td> </tr> <tr> <td>Stock on Hand -30th Nov. 2020:</td> <td></td> </tr> <tr> <td>Raw Materials</td> <td style="text-align: right;">26,200</td> </tr> <tr> <td>Finished Goods</td> <td style="text-align: right;">15,700</td> </tr> <tr> <td>Purchases of Raw Materials</td> <td style="text-align: right;">21,900</td> </tr> <tr> <td>Carriage on Purchases</td> <td style="text-align: right;">1,100</td> </tr> <tr> <td>Work in Progress, 1-11-2020 at Works Cost</td> <td style="text-align: right;">8,200</td> </tr> <tr> <td>Work in Progress, 30-11-2020 at Works Cost</td> <td style="text-align: right;">9,100</td> </tr> <tr> <td>Sale of Finished Goods</td> <td style="text-align: right;">72,300</td> </tr> <tr> <td>Direct Wages</td> <td style="text-align: right;">17,200</td> </tr> <tr> <td>Direct Expenses</td> <td style="text-align: right;">1,200</td> </tr> <tr> <td>Factory Overheads</td> <td style="text-align: right;">9,100</td> </tr> <tr> <td>Administration Overheads</td> <td style="text-align: right;">3,200</td> </tr> <tr> <td>Selling and Distribution Overheads</td> <td style="text-align: right;">4,200</td> </tr> </tbody> </table>					Rs.	Stock on Hand- 1 st Nov. 2020:		Raw Materials	25,000	Finished Goods	17,300	Stock on Hand -30th Nov. 2020:		Raw Materials	26,200	Finished Goods	15,700	Purchases of Raw Materials	21,900	Carriage on Purchases	1,100	Work in Progress, 1-11-2020 at Works Cost	8,200	Work in Progress, 30-11-2020 at Works Cost	9,100	Sale of Finished Goods	72,300	Direct Wages	17,200	Direct Expenses	1,200	Factory Overheads	9,100	Administration Overheads	3,200	Selling and Distribution Overheads	4,200
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15. a)	Discuss the Discounting Techniques of Capital Budgeting.	7	2	3	11
b)	Explain briefly the components of Working Capital?	7	2	3	11
16. a)	What are the various types of Financial Statements? Briefly discuss.	7	2	4	4
b)	From the following information, calculate Operating Ratio and Operating Profit Ratio	7	3	4	4
	Cost of Goods Sold Rs. 5,20,000				
	Operating Expenses Rs. 1,80,000				
	Net Sales Rs. 8,00,000				
17. a)	Discuss the various benefits a tax payer would get under the Head Income from House Property'.	7	4	5	11
b)	Discuss the process of computing 'Income from salaries'.	7	3	5	11
18. a)	What do you understand by a Firm? What are its Objectives?	5	2	1	9
b)	From the following information, calculate (i) P/V Ratio (ii) Fixed Cost and (iii) Break - even point.	9	3	1	9
	Year Sales Profit				
	Rs. Rs.				
	2007 2,50,000 20,000				
	2008 3,00,000 25,000				
19.	Answer any <i>two</i> of the following:				
a)	What are the functions of RBI? Explain.	7	2	2	9
b)	Critically examine the Liquidity Ratios.	7	5	4	4
c)	Discuss Pros and Cons of the latest Tax Rates.	7	5	5	11

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

S. No.	Criteria for questions	Percentage
1	Fundamental knowledge (Level-1 & 2)	62
2	Knowledge on application and analysis (Level-3 & 4)	27
3	*Critical thinking and ability to design (Level-5 & 6) (*wherever applicable)	11
