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Code No. : 16304 AS N

VASAVI COLLEGE OF ENGINEERING (Autonomous), HYDERABAD
B.E. (CBCS) VI-Semester Advanced Supplementary Examinations, July-2019

Economics and Finance for Engineers
(EEE, ECE & IT)

Time: 3 hours

Max. Marks: 70

Note: Answer ALL questions in Part-A and any FIVE from Part-B

Part-A (10 × 2 = 20 Marks)

1. Explain Macro economics.
2. Illustrate Scarcity concept.
3. How do you arrive at factory cost?
4. What is a break-even point? Give example.
5. Explain working capital concept with example
6. Classify an operating cycle.
7. Contrast gross profit and net profit.
8. Give the items that come under balance sheet in the format.
9. List five items that come under income from other sources.
10. When and why GST was introduced in India?

Part-B (5 × 10 = 50 Marks)

(All sub-questions carry equal marks)

11. a) Explain types of price elasticity with suitable diagrams.
b) Explain Cobb Douglas production function.
12. a) What are the methods of pricing? Explain them.
b) List all the items in a cost sheet in a given format.
13. a) Discuss the major functions of RBI.
b) Compare gross and net working capital and discuss the components of working capital.
14. a) Explain the merits and limitations of ratio analysis.
b) Calculate Gross profit Ratio, Net Profit Ratio, Operating Ratio, Cost of Goods Sold ratio and Operating Profit Ratio from the following information.
Sales Rs.200000, Gross Profit Rs.50000, Administrative and Selling and Distribution expenses Rs.20000, financial expenses Rs.5000.
15. a) What do you mean by Direct Tax? Classify the incomes that come under it.
b) Illustrate CGST, SGST and IGST.

16. a) What are the objectives of the firm? Explain briefly.
 b) Calculate breakeven point from the following information.
 Sales Rs.700000, Raw Material cost Rs.100000, Labour charges Rs.75000, Overhead charges Rs.75000, Fixed Manufacturing cost Rs.50000, Fixed Selling cost Rs.125000.
17. Answer any *two* of the following:
 a) Discuss PBP and ARR techniques.
 b) Calculate Net working Capital, short term solvency ratios and debt to equity ratios from the following balance sheet of Mr. Murthy as on 31-12-2017

Liabilities	Amount (in Rs)	Assets	Amount (in Rs.)
Capital	200000	Land & buildings	125000
Debentures	100000	Machinery	75000
Overdraft	50000	Debtors	50000
Bills payable	20000	Cash in Hand	50000
Short term loans	20000	Cash at Bank	100000
Creditors	25000	Marketable Securities	15000
	415000		415000

- c) List the steps involved to ascertain Income from salaries.

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