

CBCS SCHEME

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18MR51

Fifth Semester B.E. Degree Examination, Jan./Feb. 2021 Management and Economics

Time: 3 hrs.

Max. Marks: 100

*Note: 1. Answer any FIVE full questions, choosing ONE full question from each module.
2. Use of Interest Factors (data sheets) table is permitted.*

Module-1

- 1 a. List and explain the characteristics and nature of management. (08 Marks)
b. Define planning and list out the importance of planning. (08 Marks)
c. Discuss different levels of management. (04 Marks)

OR

- 2 a. Define management. Bring out the various functional areas of management. (08 Marks)
b. With the help of block diagram, explain the hierarchy of plans. (08 Marks)
c. List and explain the characteristics of decision making. (04 Marks)

Module-2

- 3 a. Define organization. What are the principles of organization? (12 Marks)
b. Explain McClelland's Three Need Model. (08 Marks)

OR

- 4 a. Differentiate between centralization and decentralization. (08 Marks)
b. List and explain different types of leadership style by mentioning its merits and demerits. (12 Marks)

Module-3

- 5 a. Differentiate between Micro and Macro Economics. (12 Marks)
b. A 45 year old person is planning for his retired life. He plan to divert Rs.30,000 from his bonus as investment every year for the next 15 years. The bank gives 12% interest rate compounded annually. Find the maturity value of his account when he is 60 year old. (08 Marks)

OR

- 6 a. Briefly explain the law of supply and demand. Enlist the factors influencing demand. (12 Marks)
b. A person wants to give scholarship to poor students to tune of Rs.25,000 every year in the memory of his late father. He deposited only Rs.2 lakh as reserve for now. For how many years will he be able to receive Rs.25000 every year so as to give away scholarship at the same rate of interest? (08 Marks)

Important Note : 1. On completing your answers, compulsorily draw diagonal cross lines on the remaining blank pages.
2. Any revealing of identification, appeal to evaluator and /or equations written eg, 42+8 = 50, will be treated as malpractice.

Module-4

- 7 a. An entrepreneur owning a small scale industry wants to buy a milling machine. He has 3 machines in views, from different manufacturer. The initial investment, annual investment, salvage value and the lives of three machine are given in the Table.Q7(a).

	Initial Investment (Rs)	Annual Revenue (Rs)	Salvage Value (Rs.)	Life (years)
Machine 1	25,000	10,000	4,000	7
Machine 2	45,000	15,000	6,500	7
Machine 3	75,000	20,000	9,000	7

Table. Q7(a)

- Take $i = 14\%$ (compounded annually) (12 Marks)
 b. Briefly explain the condition for present worth comparison. (08 Marks)

OR

- 8 a. Briefly explain rate of return, MARR, IRR and ERR. (08 Marks)
 b. Briefly explain the consideration of Assets Life. (08 Marks)
 c. What are the situations for equivalent annual worth comparison? (04 Marks)

Module-5

- 9 a. Define depreciation and explain the various causes of depreciation. (08 Marks)
 b. A student has brought a moped whose, first cost is Rs.10,000 with an estimated life of 8 year. The estimated salvage value of the moped at the end of its life time is Rs.2,000. Determine the depreciation amount and the book value at the end of various years using Straight Line (SL) method of depreciation. Also find the book value at the end of 7th year as a specific period. Also define Book Value (BV) and Depreciation amount (DE). (12 Marks)

OR

- 10 Briefly explain the five basic methods of computing depreciation charges with examples. (20 Marks)

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