CBCS SCHEME

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18MR51

Fifth Semester B.E. Degree Examination, Jan./Feb. 2023
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 "Compounding Interest Factor" tables are permitted.***

Module-1

1 a. What is Management? What are the characteristics of Management? **(06 Marks)**
b. What is Planning? Briefly explain the steps of Planning. **(08 Marks)**
c. List and explain the characteristics of Decision making. **(06 Marks)**

OR

2 a. Explain the types of Planning. **(10 Marks)**
b. Explain Decision Making process. **(10 Marks)**

Module-2

3 a. Explain the types of Organization. **(10 Marks)**
b. What is Recruitment? What are the sources of Recruitment? **(10 Marks)**

OR

4 a. Explain the principles of Organization. **(10 Marks)**
b. With neat sketch, explain Maslow's Hierarchy of needs theory. **(10 Marks)**

Module-3

5 a. State and explain the Law of Demand and Supply mentioning the factors influencing it. **(10 Marks)**
b. A person wants to give scholarships to poor students to the sum of Rs 25,000/- every year, in memory of his late father. He wants to deposit a lumpsum in the bank which makes him receive the required amount every year for the next 20 years. The reserve is assumed to grow annually at the rate of 9%. Find the single payment that must be made now as the reserve amount. If the same person can deposit only Rs 2 lakhs as reserve now for how many years will he be able to receive Rs 25,000/- every year so as to give away scholarship at the same rate of interest? **(10 Marks)**

OR

6 a. What is Elasticity of Demand? What are the types? Explain the factors influencing the elasticity of demand. **(10 Marks)**
b. Determine the effective interest rate in the following cases :
i) Nominal rate of 12% compounded monthly with time interval of one year.
ii) Nominal rate of 18% compounded weekly with a time interval of one year.
iii) Nominal rate of 13% compounded monthly with a time interval of two years.
iv) Nominal rate of 9% compounded semi annually with time interval of two years. **(10 Marks)**

Module-4

7 a. What is Rate of Return? Explain three types of Rate of Return. **(10 Marks)**

b. A small dam and an irrigation system are expected to cost Rs 30,000,000. Annual maintenance and operating costs are expected to be Rs 4,00,000 for the first year and will increase at a rate of 10 percent per year. Determine the equivalent present worth of building dam and operating the system with interest of 10 percent over a 30 year life. **(10 Marks)**

OR

8 Analyse and take a decision on the following proposals based on engineering economy analysis. Proposal one has a life of three years with an investment of Rs 10,000/- and the second proposal has a life of 4 years at an investment of Rs 12,000/-. Annual gain in operating system expenses in both the cases are Rs 1,000 and Rs 500 respectively. Assume an interest rate of 10% which gets doubled at LCM midway. Comment on the proposal using correct method. **(20 Marks)**

Module-5

9 a. Explain the various components of product cost. **(10 Marks)**

b. A Company produces 30,000 units per annum. The various cost components are as follows :
Direct material Rs 6/- per unit ; Direct labour Rs 5/- per unit ;
Fixed overheads Rs 60,000/- ; Variable overheads Rs 2.50 per unit.
Prepare the fixed budget for the above. **(10 Marks)**

OR

10 a. What is Tax? What are the principle types of taxes? Explain. **(06 Marks)**

b. Explain the causes of Depreciation. **(06 Marks)**

c. A CNC machine cost Rs 30,00,000 is estimated to serve for 8 years after which its salvage value is estimated to be Rs 2,50,000. Find

i) Depreciation fund at the end of the 5^{th} year by Fixed percentage method and Declining Balance Method.

ii) Book value of the machine after 4^{th} year and 6^{th} year by Declining Balance Method.
(08 Marks)

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