

# CBCS SCHEME

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18ME51

Fifth Semester B.E. Degree Examination, Dec.2023/Jan.2024

## 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 factor table is permitted.

### Module-1

- 1 a. What is management and illustrate the roles of manager in an organization? (08 Marks)  
b. Summarize the levels of management. (06 Marks)  
c. Differentiate between management and administration. (06 Marks)

OR

- 2 a. Discuss the importance and purpose of planning. (06 Marks)  
b. Elaborate the steps involved in planning. (10 Marks)  
c. Mention the different types of plans. (04 Marks)

### Module-2

- 3 a. What is organization and mention the principles of organization? (06 Marks)  
b. Enumerate the process of recruitment and selection process. (08 Marks)  
c. List the different types of organization and discuss briefly anyone of the organization structure. (06 Marks)

OR

- 4 a. Narrate the Maslow's hierarchy of needs and McGregor's theory of x and y. (08 Marks)  
b. Differentiate centralization and decentralization. (06 Marks)  
c. Elaborately discuss the steps involved in controlling process. (06 Marks)

### Module-3

- 5 a. Differentiate between :  
i) Intuition and analysis (06 Marks)  
ii) Tactics and strategy. (08 Marks)  
b. Explain the scientific approach of problem solving and decision making. (08 Marks)  
c. Explain the law of demand and supply with suitable example. (06 Marks)

OR

- 6 a. Define the law of returns and explain the three phases of Law of return. (08 Marks)  
b. Explain how cash flow diagram is helpful to the decision maker and draw CFD from borrowers and lenders point of view. (06 Marks)  
c. Find the effective interest rate if the rate of interest is 6%. When compounded :  
i) Yearly ii) Biannually iii) Quarterly iv) monthly. (06 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. Illustrate the following :
- Ownership life or service life
  - Accounting life
  - Economic life.
- (06 Marks)
- b. State and explain the condition for worth comparison method. (06 Marks)
- c. Two holiday cottages are under considerations compare the present worth of the cost of 24 years service, at an interest rate if 5 percent, when neither cottage has a realize salvage value.

Particulars	Cottage - 1	Cottage - 2
First cost (Rs.)	4,500	10,000
Estimated life (years)	12	24
Annual maintenance cost (Rs.)	1000	720

(08 Marks)

**OR**

- 8 a. Illustrate briefly rate of return, IRR, ERR and MARR. (08 Marks)
- b. Explain the pay back comparison method. (04 Marks)
- c. Following are the estimates of three alternative investments made on 3 different machines in an industry. Find out which machine has the fastest payback period.

	Particular	Machine A	Machine B	Machine C
1	Initial investment (Rs.)	30,000	38,000	42,000
2	Annual reception (Rs.)	20,000	23,500	26,000
3	Annual expenditure (Rs.)	5,500	6,500	7,000
4	Economic life	4 years	4 years	4 years

(08 Marks)

**Module-5**

- 9 a. Explain how selling price is fixed for a job, giving all the components of cost, with suitable example. (12 Marks)
- b. MICO factory produces 500 spark plugs a day involving direct material costs of Rs.40,000 direct labour cost of Rs.35,000 and factory overheads of Rs.10,000. Assuming a profit of 15% of the selling price and selling overheads to be 30% of the factory cost, calculate the selling price of one spark plug. (08 Marks)

**OR**

- 10 a. What is deprivation? List the different methods of determining depreciation. (04 Marks)
- b. Explain the causes of depreciation. (10 Marks)
- c. A student has bought moped whose first cost is Rs. 10,000 with an estimated life of 8 years. The estimated salvage value of the moped at the end of its lifetime is Rs. 2,000. Determine the depreciation amount and book value at the end of various years using SYD method of depreciation. Also find the book at the end of 10<sup>th</sup> year as a specific period. (06 Marks)

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