CBCS Scheme

USN | | | | | | | | | | | **15ME51**

Fifth Semester B.E. Degree Examination, June/July 2018
Management and Engineering Economics

Time: 3 hrs.   Max. Marks: 80

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.   Define Management and explain the various functional areas of Management. **(08 Marks)**
    b.   List and brief the principles of scientific management. **(08 Marks)**

OR

2   a.   Define Planning and list the importance of planning. **(08 Marks)**
    b.   Explain the various steps in a decision making process, with a block diagram. **(08 Marks)**

Module-2

3   a.   Define Organization. What are the principles of Organization? **(08 Marks)**
    b.   Explain briefly the selection process of personnel for the organization. **(08 Marks)**

OR

4   a.   Define Motivation and explain the various leadership styles. **(08 Marks)**
    b.   Explain the Maslow's hierarchy of needs theory. **(08 Marks)**

Module-3

5   a.   List the differences between Micro and Macro Economics. **(08 Marks)**
    b.   Explain briefly the following : **(08 Marks)**
         i) Law of Demand   ii) Law of Supply   iii) Equilibrium point   iv) Income Elasticity.

OR

6   a.   Define the Law of Return 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 C.F.D from borrowers and lenders point of view. **(08 Marks)**

Module-4

7   a.   A person takes a loan of Rs 1200/- from a bank at an interest of 18% p.a. Find the amount if the interest is compounded : i) Annually ii) Half yearly iii) Quarterly iv) Monthly. **(08 Marks)**
    b.   Find the compound amount of Rs 5000/- at 6% for 4, 8 and 12 years and compare the result does doubling the time doubles the amount of interest earned. **(08 Marks)**

OR

8   a.   Define Rate of Return and explain minimum Acceptable rate of Return and internal rate of Return. **(06 Marks)**
    b.   Two types of power converter Alpha and Beta are under considerations for a particular application. An economic comparison is to be made at an interest rate of 10%. Following cost estimation has been obtained. Determine the Annual equivalent costs of two systems. Select the best converter. **(10 Marks)**

Cost particulars	Alpha	Beta
Purchase price	Rs 10,000/-	Rs 25,000/-
Estimated service life	8 years	9 year
Salvage value	Rs 3000/-	Rs 5000
Annual operating cost	Rs 2500/-	Rs 1200

Module-5

9   a. Briefly explain "Components of Costs" and explain with diagram indirect cost estimatio with depreciation. **(08 Marks**

   b. Explain how the selling price is fixed for a product and show all the components of costs. **(08 Marks**

OR

10   a. Define Depreciation and explain the various causes of depreciation. **(08 Marks**

   b. Determine the material cost for fig. Q10(b), density of the material is 7.009 gram/cc an material cost is Rs 20/kg. **(08 Marks**

Fig.Q10(b)

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