II B.Tech - I Semester – Regular Examinations - December 2014

ENGINEERING ECONOMICS
(MECHANICAL ENGINEERING)

Duration: 3 hours   Marks: 5x14=70

Answer any FIVE questions.   All questions carry equal marks

1. a) Discuss the nature and scope of Managerial Economics.

    8 M

    b) What are the determinants of Demand?   6 M

2. a) What is Elasticity of Demand?   4 M

    b) What are the different types of Elasticity of Demand?

    10 M

3. a) Explain the concept of Cobb – Dougles production function.   7 M

    b) Discuss briefly Survey Methods of Demand Forecasting.

    7 M

4.   Describe the various methods of Pricing.   14 M

5. What is a Joint Stock Company? Discuss its features, merits and demerits. 14 M

6. State and explain the functions of Financial management. 14 M

7. What is Depreciation? Illustrate Straight Line Method of calculation of Depreciation 14 M

8. A company is considering to purchase a machine. Two machines A and B are available, each costing Rs. 5,00,000/-. In comparing the profitability of the machines, a discounted rate of 10% is to be used. Earnings after taxation are expected to be as under. There is no scrap value. 14 M

Year	Machine 'A'	Machine 'B'
1st	2,00,000	75,000
2nd	2,50,000	1,50,000
3rd	1,50,000	3,00,000
4th	1,00,000	2,00,000
5th	75,000	1,00,000

Select the most profitable machine using
  i) Payback period method and
  ii) Net Present Value method