**II B.Tech - I Semester – Regular/Supplementary Examinations**
**November 2019**

# ENGINEERING ECONOMICS
## (MECHANICAL ENGINEERING)

Duration: 3 hours                                          Max. Marks: 70

## PART – A

Answer **all** the questions.   All questions carry equal marks
$$11x\ 2 = 22\ M$$

1.

    a) What are exceptions to Law of demand?
    b) How price elasticity is measured?
    c) Discuss Economies of scale.
    d) Write the formula for Breakeven point in rupees.
    e) Write Perfect competition characteristics.
    f) Write about types of accounts.
    g) What is meant by Partnership?
    h) List any two functions of financial management.
    i) What are the features of Joint Stock Company?
    j) Write the formula for Net present value.
    k) What is meant by Depreciation?

## PART – B

Answer any ***THREE*** questions.   All questions carry equal marks.                                                  3 x 16 = 48 M

2. a) Discuss the nature and scope of Managerial Economics and its relation with other subjects.                          8 M

   b) What is Law of demand? What are the demand determinants?                                                           8 M

3. a) What is meant by Break-even analysis? Discuss the assumptions and the limitations of this technique.      8 M

   b) Explain the conditions of perfect competition and the price and output determinations in the short run.            8 M

4. Compare and contrast Sole proprietorship and Partnership firms.                                                         16 M

5. a) Explain accounting concepts and conventions            8 M

   b) Elaborate the importance of Double Entry book keeping.
                                                                                                             8 M

6. a) Explain the different techniques of Capital Budgeting . 8 M

   b) Determine the payback period for a project which requires a cash outlay of Rs.24,000 and generates cash inflows of Rs. 4,000, Rs. 8,000 and Rs. 10,000 in the first, second, third and fourth years respectively.                          8 M