

Code: ME3T6

**II B.Tech - I Semester–Regular/Supplementary Examinations
November 2016**

**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) Define managerial economics.
- b) List out the statistical methods of demand forecasting.
- c) What is MRTS?
- d) Fixed Vs Variable cost.
- e) Define e-commerce.
- f) Name the forms of Public enterprises.
- g) Define Minor partner.
- h) Explain in brief double entry book keeping.
- i) What is compound interest?
- j) Give the formula to calculate Depreciation under straight line method.
- k) Explain NPV method.

PART – B

Answer any **THREE** questions. All questions carry equal marks.

3 x 16 = 48 M

2.

a) Explain the basic economic tools of Managerial Economics. 8 M

b) How do you forecast Demand for new products. 8 M

3.

a) Critically examine the importance of Cobb-Douglas production function. 8 M

b) How price and output determined under Monopoly? 8 M

4.

a) Evaluate the importance of 1991 Industrial policy Resolution. 10 M

b) Differentiate between Pvt Limited & Public Limited company. 6 M

5.

a) Define financial management and explain any 5 features. 10 M

b) Explain any four Accounting Conventions. 6 M

6. Sree Ram Constructions are willing to earn at least 12% on their investments. There are two projects available. Which one do you recommend under NPV method? Cost of each proposal is Rs.1,50,000. 16 M

Year/cash flows	Proposal - I	Proposal - II
1	50,000	60,000
2	50,000	54,000
3	50,000	63,000
4	50,000	45,000
5	50,000	38,000