

Code: CE8T2

**IV B.Tech - II Semester – Regular/Supplementary
Examinations – May 2022**

**ENGINEERING ECONOMICS AND PROJECT
APPRAISAL
(CIVIL ENGINEERING)**

Duration: 3 hours

Max. Marks: 70

PART – A

Answer *all* the questions. All questions carry equal marks

11 x 2 = 22 M

1.

- a) Define Economics.
- b) Define law of Supply.
- c) What do you understand by Macro Economics?
- d) Classification of Economic Analysis.
- e) Steps in Building material selection.
- f) What is Opportunity Cost?
- g) What is Break Even Point?
- h) Write about Discounted Pay Back Period.
- i) What do you understand by project resource flow?
- j) What is Job Costing?
- k) Illustrate Cost Sheet format.

PART – B

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

3 x 16 = 48 M

2. a) Explain the concept of Engineering Economics? 8 M

b) Discuss the scope of Engineering Economics. 8 M

3. a) How do you select design for a Product? Explain the steps involved in selecting a design for a product in detail.

8 M

b) Describe Process Planning and Process modification.

8 M

4. a) From the following information calculate: 8 M

(i) The amount of fixed expenses.

(ii) Calculate BEP.

(iii) What is the amount of sales required when Company wants to earn a profit of Rs. 40,000.

Year/Particulars	2020	2021
Sales	700000	900000
Profit	10000	20000

b) Discuss the significance of Marginal Costing in terms of Cost Control. 8 M

5. The cash flows of a Project are given as follows.

Year end	0	1	2	3	4	5	6
Cash inflows			30000	40000	40000	40000	50000
Cash Outflows	100000	20000					

It wants to earn at least 6% per annum on this Project. Do you recommend this Project. 16 M

6. a) What is Project Cost? Explain various Project Cost Reduction Methods. 8 M

b) Explain about Life Cycle Costing. 8 M