PRESIDENCY UNIVERSITY

BENGALURU

End - Term Examinations – MAY 2025

Date: 20-05-2025   **Time:** 09:30 am – 12:30 pm

School: SOE	**Program:** CIV/PET
Course Code : MGT2015	**Course Name:** ENGINEERING ECONOMICS
Semester: VI	**Max Marks**: 100 **Weightage :** 50%

CO - Levels	CO1	CO2	CO3	CO4	CO5
Marks	11	26	28	35	-

Instructions:

(i) Read all questions carefully and answer accordingly.

(ii) Do not write anything on the question paper other than roll number.

Part A

Answer ALL the Questions. Each question carries 2 marks.   **10Q x 2M=20M**

1.	What is the origin of engineering economy?	**2 Marks**	**L1**	**CO1**
2.	Mention one difference between micro and macroeconomics.	**2 Marks**	**L1**	**CO1**
3.	State the Law of Supply.	**2 Marks**	**L1**	**CO2**
4.	State any two determinants of demand.	**2 Marks**	**L1**	**CO2**
5.	What are the four factors of production?	**2 Marks**	**L1**	**CO3**
6.	What is break-even point?	**2 Marks**	**L1**	**CO3**
7.	Expand the terms – CR, CM, SP, TR	**2 Marks**	**L1**	**CO3**
8.	What is the cost of money?	**2 Marks**	**L1**	**CO4**
9.	What is Future Value?	**2 Marks**	**L1**	**CO4**
10.	What is Rate of Return method?	**2 Marks**	**L1**	**CO4**

Part B

Answer ALL the Questions. Each question carries 7 Marks.   **Total Marks 35M**

11.	a.	Discuss the major determinants of supply.	07 Marks	L2	CO1
		Or			
12.	a.	Explain the types of strategic engineering economic decisions.	07 Marks	L2	CO1

13.	a.	What are the exceptions to the Law of Demand? Explain briefly.	07 Marks	L2	CO2
		Or			
14.	a.	Demand function: Qd=100−2P Supply function: Qs=20+4P Find the equilibrium price and quantity.	07 Marks	L2	CO2

15.	a.	A firm has the following cost data: TFC = ₹500, TVC = ₹1,500 for producing 100 units. Calculate AVC, AFC, and ATC.	07 Marks	L2	CO3
		Or			
16.	a.	Discuss the key characteristics of the four factors of production.	07 Marks	L2	CO3

17.	a.	Explain the Payback Period method. What are its advantages and disadvantages?	07 Marks	L2	CO4
		Or			
18.	a.	Explain the concept of Internal Rate of Return with an example.	07 Marks	L2	CO4

19.	a.	Explain the importance of depreciation in engineering economics.	07 Marks	L2	CO4
		Or			
20.	a.	Discuss Present and Future Value with applications	07 Marks	L2	CO4

Part C

Answer any Three Questions. Each question carries 15 marks   **3Q x 15M=45M**

21.	a.	A company provides the following cost data for various output levels. Calculate and tabulate TFC, TVC, TC, AVC, AFC, ATC, and MC. Output (units): 0, 1, 2, 3, 4 TVC: ₹0, ₹300, ₹500, ₹660, ₹800 TFC = ₹200	15 Marks	L3	CO4

22.	a.	Discuss the Law of Demand, its assumptions, and exceptions in detail with diagrams.	15 Marks	L3	CO2

23.	a.	What is break-even analysis? Explain its assumptions, uses, limitations, and graphical representation.	15 Marks	L3	CO3

24.	a.	Discuss the advantages and disadvantages of the IRR method.	15 Marks	L3	CO4