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15ME51

Fifth Semester B.E. Degree Examination, June/July 2018
Management and Engineering Economics

Time: 3 hrs.

Max. Marks: 80

Note: 1. Answer any FIVE full questions, choosing one full question from each module.
2. Use of "Compounding interest factor" tables are permitted.

Module-1

- 1 a. Define Management and explain the various functional areas of Management. (08 Marks)
 b. List and brief the principles of scientific management. (08 Marks)

OR

- 2 a. Define Planning and list the importance of planning. (08 Marks)
 b. Explain the various steps in a decision making process, with a block diagram. (08 Marks)

Module-2

- 3 a. Define Organization. What are the principles of Organization? (08 Marks)
 b. Explain briefly the selection process of personnel for the organization. (08 Marks)

OR

- 4 a. Define Motivation and explain the various leadership styles. (08 Marks)
 b. Explain the Maslow's hierarchy of needs theory. (08 Marks)

Module-3

- 5 a. List the differences between Micro and Macro Economics. (08 Marks)
 b. Explain briefly the following : (08 Marks)
 i) Law of Demand ii) Law of Supply iii) Equilibrium point iv) Income Elasticity.

OR

- 6 a. Define the Law of Return and explain the three phases of Law of return. (08 Marks)
 b. Explain how cash flow diagram is helpful to the decision maker and draw C.F.D from borrowers and lenders point of view. (08 Marks)

Module-4

- 7 a. A person takes a loan of Rs 1200/- from a bank at an interest of 18% p.a. Find the amount if the interest is compounded : i) Annually ii) Half yearly iii) Quarterly iv) Monthly. (08 Marks)
 b. Find the compound amount of Rs 5000/- at 6% for 4, 8 and 12 years and compare the result does doubling the time doubles the amount of interest earned. (08 Marks)

OR

- 8 a. Define Rate of Return and explain minimum Acceptable rate of Return and internal rate of Return. (06 Marks)
 b. Two types of power converter Alpha and Beta are under considerations for a particular application. An economic comparison is to be made at an interest rate of 10%. Following cost estimation has been obtained. Determine the Annual equivalent costs of two systems. Select the best converter. (10 Marks)

Important Note : 1. On completing your answers, compulsorily draw diagonal cross lines on the remaining blank pages.
 2. Any revealing of identification, appeal to evaluator and/or equations written eg, $42+8=50$, will be treated as malpractice.



15ME51

Cost particulars	Alpha	Beta
Purchase price	Rs 10,000/-	Rs 25,000/-
Estimated service life	8 years	9 year
Salvage value	Rs 3000/-	Rs 5000
Annual operating cost	Rs 2500/-	Rs 1200

Module-5

- 9 a. Briefly explain "Components of Costs" and explain with diagram indirect cost estimation with depreciation. (08 Marks)
b. Explain how the selling price is fixed for a product and show all the components of costs. (08 Marks)

OR

- 10 a. Define Depreciation and explain the various causes of depreciation. (08 Marks)
b. Determine the material cost for fig. Q10(b), density of the material is 7.009 gram/cc and material cost is Rs 20/kg. (08 Marks)

Fig.Q10(b)


