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**18ME51**

## Fifth Semester B.E. Degree Examination, July/August 2021 Management & Economics

Time: 3 hrs.

Max. Marks: 100

*Note: Answer any FIVE full questions.*

1. a. What is Management? Highlight the scope and functional areas of management. (10 Marks)  
b. Differentiate Administration and Management. Explain briefly system approach. (10 Marks)
2. a. What is planning? List the purpose and objectives of planning. (10 Marks)  
b. With a block diagram, explain the steps in decision making. (10 Marks)
3. a. List the different types of organizations and explain briefly line and staff organization with a chart. (10 Marks)  
b. Write a note on any two selection techniques. (10 Marks)
4. a. What is motivation? Explain its characteristics. (10 Marks)  
b. List and explain essentials of a sound control system. (10 Marks)
5. a. Which of the following is better for Decision Making Intuition (or) Analysis? Discuss and list various factors influencing demand. (10 Marks)  
b. Briefly discuss about micro and macro economics demand and supply. (10 Marks)
6. a. What do you understand by CFD, explain with a neat sketch, CFD for borrowers and lenders point of view? (10 Marks)  
b. A Bank is offering home loan of Rs.25,00,000/- to Mr.Dixit to buy a double bed room home. The rate of interest quoted is 8% compounded annually. The payback period is 14 years in equal installments. Find the EMI and Annual installments amount that Mr. Dixit has to pay to the bank. (10 Marks)
7. a. Define present worth method of comparison and state the conditions for present worth (PWC). (08 Marks)  
b. A Industrialist wants to buy a NC machines for his factory. He has given three options from three suppliers. The initial cost, annual revenue and salvage values along with their lives are given in the table.

	Initial cost (Rs.)	Annual Revenue (Rs.)	Salvage Value (Rs.)	Life (years)
Machine 1	2.5 lakh	1 lakh	40,000/-	8
Machine 2	4.5 lakh	1.5 lakh	65,000/-	8
Machine 3	7 lakh	2 lakh	90,000/-	8

Apply present worth method and suggest which machines need to be selected by the industry and why? (12 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.



- 8 a. Explain the following :
- (i) Internal Rate of Return and
  - (ii) External Rate of Return
- (08 Marks)
- b. A distinctive prototype model was developed by a company. The company has spent Rs.5 lakhs to develop this model. It is expecting a return of 7 lakhs at the end of a year. Further, it is also expecting Rs.3 lakhs for next 3 years continuously. Calculate the rate of returns for the model to the company. (12 Marks)
- 9 a. How do you determine selling price? Explain with a figure. (08 Marks)
- b. The TVS factory produces 500 mopeds in a day. This involves direct material cost of Rs.40,000/- labour cost of Rs.35,000/- and over head cost of Rs.10,000/-. The company is expecting a profit of 15% of the selling price and estimated selling over heads has 30% of factory cost. Calculate the selling price of each mopeds. (12 Marks)
- 10 a. Explain important causes for depreciation and discuss your understandings about term TAX. (08 Marks)
- b. Give the complete procedure for computing depreciation charges by sinking fund method. (12 Marks)

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