

**DR. BABASAHEB AMBEDKAR TECHNOLOGICAL
UNIVERSITY, LONERE - RAIGAD -402 103
Winter Semester Examination - Dec. - 2019**

Branch: ELECTRICAL ENGINEERING

Sem.: -III

Subject: ENGINEERING ECONOMICS (BTHM306)

Marks: 60

Date: - 21/12/2019

Time:- 3 Hr.

Instructions to the Students

1. Each question carries 12 marks.
2. Attempt **any five** questions of the following.
3. Illustrate your answers with neat sketches, diagram etc., wherever necessary.
4. If some part or parameter is noticed to be missing, you may appropriately assume it and should mention it clearly

(Marks)

- Q.1 a) Write down definition of Economics and explain relationship between Science, Engineering, Technology and Economic Development. (6)
- b) With a neat diagram, Explain production possibility curve with suitable example and why is the curve concave to the origin? (6)
- Q.2 a) Consider the cash flows of the two projects A and B as shown in table below. Determine the profitability index for both the projects. Assume an annual discount rate of 8 % for each project. Also calculate payback period of both the projects. Make a suitable comment about the better proposal. (6)

	Project A	Project B
Capital Cost (Rs.)	30000	30000
Year	Net annual savings (Rs.)	Net annual savings (Rs.)
1	+6000	+6600
2	+6000	+6600
3	+6000	+6300
4	+6000	+6300
5	+6000	+6000
6	+6000	+6000
7	+6000	+5700
8	+6000	+5700
9	+6000	+5400
10	+6000	+5400
Total net saving at end of year 10	+60000	+60000

- b) Explain meaning of Demand, Explain Law of Demand and what are the assumptions of the law? (6)
- Q.3 a) Explain meaning of Elasticity of Demand and what are the factors affecting on Elasticity of demand? (6)
- b) i) Explain Demand Forecasting in detail. (3)
- ii) Explain the factors affecting demand, its practical application and importance. (3)
- Q.4 a) i) Define production and explain the factors of production. (3)
- ii) Explain time value of money in detail with simple example. (3)
- b) Explain concept of cost of production in detail and different types of costs. (6)
- Q.5 a) Explain Market and perfect competition, monopoly, monopolistic and oligopoly market situations with their main features. (6)
- b) i) Explain supply and law of supply. What is the role of demand and supply in price determination? (6)

Or

- ii) What are the difference between Central bank and Commercial bank? (6)
- Q.6 Explain the following. (solve any three) (12)

- i) Inflation
- ii) Sensex
- iii) GATT
- iv) WTO
- v) IMF

Paper End