Registration no: | | | | | | | | | | |

Total Number of Pages: 2 **MCA**

MCC104

1st SemMCARegular/ Back Examination – 2015-16
SUBJECT NAME: ENGINEERING ECONOMICS & COSTING
BRANCH(S): MCA
Time: 3 Hours
Max marks: 70
Q.CODE:T832

Answer Question No.1 which is compulsory and any five from the rest.
The figures in the right hand margin indicate marks.

Q1 Answer the following questions: (2 x 10)
- a) What is Depreciation ?
- b) What is Time Value of Money ?
- c) Explain Sunk Cost .
- d) Define production function ?
- e) Explain Bandwagon effect & Snob effect .
- f) Define Margin of Safety ?
- g) Define IRR , how it is different from NPV ?
- h) Explain Credit Creation .
- i) What do you mean by Conversion Cost ?
- j) Explain Law of Demand .

Q2 a) Define Commercial Bank & Write down its Functions . (5)
b) Discuss the role of commercial bank in India`s economy . (5)

Q3 a) What is Cost Sheet ? Explain the elements to prepare a cost sheet . (5)
b) Give the specimen of cost sheet by taking imaginary figure . (5)

Q4 A machine costs the company Rs 97000 and its effective life estimated to be 12 years. A fund is created for replacing the machine at the end of its effective lifetime. If the scrap value realises Rs 2000 only , what amount should be retained out of profit at the end of each year with compound interest 5% Per annum. (10)

Q5 a) Explain Break Even Analysis . (5)
b) From the following information Calculate :- (5)
(i) P/V Ratio (ii) BEP (iii) Margin of Safety
Sales Rs 360000
Selling Price per unit Rs100
Variable Cost per Unit Rs 50
Fixed Cost Rs 100000

Q6 a) Explain Law of Demand (5)
b) Write down the factors affecting Law of Demand (5)

Q7 a) Explain Future Worth Method (5)

b) Given the following particulars calculate total cost & sales (5)

Direct Material Rs 10000

Direct Wages Rs 8000

Factory Overhead 80% of Direct wages

Office overhead 20% of work Cost

Selling & Distribution Overhead Rs 2000

Profit is 20% on sale

Q8 Distinguish between (any TWO) (5 x 2)

a) Perfect Competition & Monopoly

b) Fixed Installment & Diminishing Balance Method

c) Present Worth & Future Worth Method

d) Price Elasticity of Demand & Income Elasticity of Demand