

NATIONAL INSTITUTE OF TECHNOLOGY, HAMIRPUR (H.P.)

B. Tech. 7th Semester End-Term Examination December, 2020

Branch: B Tech ECE & B Tech Dual Degree

Subject: Engineering Economics & Management

Course Code: ECH-411

Time: 2 Hours

Max. Marks: 50

Note: Attempt all the questions in continuation of each section. All questions carry equal marks.

Section A

- Q.No. 1.(a) Briefly discuss the scope and significance of economics in Engineering.
- (b) Explain the difference between Price, Income and Cross elasticity of demand.
- Q.No. 2. (a) What do you mean by least cost combination? How it is determined. Discuss.
- (b) A small firm incurs fixed expenses amounting to Rs. 12000. The variable cost of the product is Rs 5 per unit. Its selling price is Rs 10 per unit. Determine its break even quantity and safety margin for the sales of 5000 units.
- Q.No.3. (a) What are the characteristics of depreciation? Discuss the sinking fund and sum of the year's digit method to calculate the depreciation.
- (b) What do you mean by Project appraisal? Discuss the NPV and Pay back period method of project appraisal.
- Q.No.4. (a) . Explain the instruments of Monetary Policy.
- (b). Explain the meaning of Foreign exchange. Discuss the Purchasing Power Parity theory of determining the Exchange rate.
- Q. No.5. (a). Define inflation. Discuss the Demand pull inflation.
- (b) Define business cycles. Innovations are the central cause of recurrence of business cycle in the modern industrial economies. Discuss.