

BA5068 ECONOMICS AND FINANCIAL MANAGEMENT IN CONSTRUCTION

DETAILED SYLLABUS

OBJECTIVE

To study the concepts of construction economics and finance such as comparing alternatives proposals, evaluating alternative investments, management of funds, Insurance procedures, risks involved and economics of costing.

UNIT I BASIC PRINCIPLES

Time Value of Money - Cash flow diagram - Nominal and effective Interest - Continuous interest - Nominal and effective interest- continuous interest . Single Payment Compound Amount Factor (P/F,F/P) – Uniform series of Payments (F/A,A/F,F/P,A/P)– Problem time zero (PTZ)- equation time zero (ETZ). Constant increment to periodic payments – Arithmetic Gradient(G), Geometric Gradient (C)

UNIT II MARKET STRUCTURE AND CONSTRUCTION ECONOMICS

Types of Market Structure in the Construction Industry – Markets and the competitive environment- Perfect competition -. Monopolistic competition - Oligopoly - Monopoly – Characteristics and economic Profit – Construction Economics – BOOT, BOT, BOO Methods - Depreciation - Inflation-Taxes

UNIT III EVALUATING ALTERNATIVE INVESTMENTS

Present worth analysis, Annual worth analysis, Future worth analysis, Rate of Return Analysis (ROR) and Incremental Rate of Return (IROR) Analysis, Benefit/Cost Analysis, Break Even Analysis - Replacement Analysis- Equipment Replacement Analysis.

UNIT IV FUNDS MANAGEMENT

Project Finance - Sources - Working capital management- Inventory Management- Mortgage Financing-- Interim construction financing - Security and risk aspects

UNIT V ECONOMICS OF COSTING

Construction accounting-Chart of accounts- Meaning and definition of costing - Types of costing - Methods of calculation (Marginal costing, cost sheet, budget preparation) – Equipment Cost- Replacement Analysis - Role of costing technique in real estate and infrastructure management.

Diploma, Anna University-UG, PG., HSC & SSLC

Notes
Syllabus
Question Papers
Results and Many more...

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REFERENCES

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2. Prasanna Chandra, Financial Management, 9th edition, Tata McGraw Hill, 2012.
3. Paul A. Samuelson, William D. Nordhaus, Sudip Chaudhuri and Anindya Sen, Economics, 19th edition, Tata McGraw Hill, 2010.
4. Blank, L.T., and Tarquin,a.J , Engineering Economy,4th Edn. Mc-Graw Hill, 1988.
5. Patel, B M, Project management- strategic Financial Planning, Evaluation and Control, Vikas Publishing House Pvt. Ltd. New Delhi, 2000.
6. Shrivastava, U.K., Construction Planning and Management,2nd Edn. Galgotia Publications Pvt. Ltd. New Delhi, 2000.
7. Steiner, H.M., Engineering Economic principles, 2nd Edn. Mc-Graw Hill Book, New York, 1996.