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**Question Paper Code : 51927**

**B.E./B.Tech. DEGREE EXAMINATION, MAY/JUNE 2016**

**Seventh Semester**

**Computer Science and Engineering**

**MG 2452/MG 52/10177 GE 007 – ENGINEERING ECONOMICS AND FINANCIAL ACCOUNTING**

**(Common to Fifth Semester Information Technology)**

**(Regulations 2008/2010)**

**Time : Three Hours**

**Maximum : 100 Marks**

**Answer ALL questions.**

**PART – A (10 × 2 = 20 Marks)**

1. Define Managerial economics.
2. What is the objective of the firm ?
3. What is meant by demand ?
4. Define elasticity of supply.
5. Define isoquant.
6. Differentiate direct cost and indirect cost.
7. Mention any two determinants of price.
8. What is the role of Government in pricing control ?
9. What is a balance sheet ?
10. What are the limitations of 'payback period' method of appraising capital expenditure projects ?

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**PART – B (5 × 16 = 80 marks)**

11. (a) (i) Discuss the scope of managerial economics. (8)  
(ii) Explain how managerial economics is related to statistics and mathematics. (8)

**OR**

- (b) (i) What are the steps in the managerial decision making process? (8)  
(ii) List and brief on the type of firms. (8)

12. (a) (i) Define and explain price elasticity of demand. (8)  
(ii) Enumerate the factors involved in demand forecasting. (8)

**OR**

- (b) (i) List and explain the determinants of supply. (8)  
(ii) Define elasticity of supply. How does it differ from change in supply? (8)

13. (a) (i) Explain the managerial uses of production function. (8)  
(ii) How would you develop the production function? (8)

**OR**

- (b) (i) Explain the nature of the distinction between incremental costs and sunk costs. (8)  
(ii) Define short-run costs and long-run costs. What is the realistic usefulness of distinguishing between them? (8)

14. (a) (i) How does a company determine the prices of its products? (8)  
(ii) How the price is determined under monopolistic competition? (8)

**OR**

- (b) (i) Elaborate price discrimination and state its objectives. (8)  
(ii) Describe the advantages and limitations of marginal pricing. (8)

15. (a) (i) What is a profit and loss statement? How it helps in financial analysis? (8)  
(ii) Discuss the applications of financial ratio analysis. (8)

**OR**

- (b) (i) Explain the 'payback period' method of ranking alternative investment proposals and inform the demerits of this analysis. (10)  
(ii) Write a note on IRR, NPV and Average Rate of Return. (6)