

Reg. No. : 22508104019

Question Paper Code : 55472

B.E./B.Tech. DEGREE EXAMINATION, NOVEMBER/DECEMBER 2011.

Seventh Semester

Computer Science and Engineering

MG 2452 — ENGINEERING ECONOMICS AND FINANCIAL ACCOUNTING

(Common to Fifth Semester – Information Technology)

(Regulation 2008)

Time : Three hours

Maximum : 100 marks

Answer ALL questions.

PART A — (10 × 2 = 20 marks)

1. What is the scope of Managerial Economics?
2. Name the concepts involved in Decision Making.
3. What are the limitations of Elasticity of Demand?
4. Define Law of Supply.
5. What is the Significance of Isoquants?
6. Write the difference between explicit and implicit costs.
7. What is penetration pricing?
8. Define cross subsidization.
9. What is Bank Overdraft?
10. Write down the advantages and disadvantages of IRR method.

PART B — (5 × 16 = 80 marks)

11. (a) (i) Explain the objectives of the firm and analyze different theories governing the same. (8)
(ii) Write short notes on programmed and non-programmed decisions. (8)

Or

- (b) (i) How can you make decision process more effective? (8)
(ii) Enumerate the nature of Managerial Economics. (8)
12. (a) (i) In 1999, the demand for electronic gadgets was 10 million per annum and the price was Rs. 200 each. In 2000, the price rose to Rs. 400 (because of latest technology), the demand fell to 8 million. Calculate Arc E_d . How do you interpret it? (E_d – Price Elasticity of Demand) (8)
(ii) Discuss the significance of Elasticity of Demand. (8)

Or

- (b) (i) Explain and Enumerate the factors determining Elasticity of Supply. (10)
(ii) Explain how supply and demand determine the equilibrium price. (6)

13. (a) (i) Explain the concept of Returns on investments with appropriate examples. (8)
(ii) Discuss the economies of scale that can accrue to a firm. (8)

Or

- (b) Enumerate the features of short run average cost curve and long range average cost curve. (16)
14. (a) (i) Explain any four methods of pricing based on Strategy. (8)
(ii) Name the five pricing strategies in times of stiff price competition. (8)

Or

- (b) (i) Why is pricing significant in the context of business? Explain. (10)
(ii) Discuss any three pricing methods that are followed in real-life business situation. (6)

15. (a) (i) Explain the limitations of financial statements. (8)
(ii) Illustrate a profit and loss statement with assumed data. (8)

Or

- (b) Explain the following evaluation methods with illustrations :
(i) Average Rate or Return
(ii) Pay Back Period
(iii) Net Present Value. (16)