



BRAINWARE UNIVERSITY

Term End Examination 2023-2024

Programme – B.Tech.(RA)-2023

Course Name – Economics for Engineers

Course Code - HSMCR202

(Semester II)

Full Marks : 60

Time : 2:30 Hours

[The figure in the margin indicates full marks. Candidates are required to give their answers in their own words as far as practicable.]

Group-A

(Multiple Choice Type Question)

1 x 15=15

1. Choose the correct alternative from the following :

- (i) Locate the term associated with micro economics
- | | |
|----------------------------|------------------------|
| a) National Income | b) General Price Level |
| c) Allocation of resources | d) Country |
- (ii) Another name for engineering economics is
- | | |
|-------------------------|-------------------------|
| a) Decisional Economics | b) Analytical Economics |
| c) Managerial Economics | d) Decision Science |
- (iii) Identify the relationship between two substitute goods
- | | |
|---------------|--------------------|
| a) Positive | b) Negative |
| c) Horizontal | d) No relationship |
- (iv) Recall the reason behind scarce resources
- | | |
|---|--|
| a) Opportunity costs are zero | b) people must make choices among alternatives |
| c) all human wants and desires can be satisfied | d) resource prices are flexible |
- (v) In engineering economics "capital" refers to
- | | |
|---------------------------|---|
| a) money | b) stocks, bonds and other financial assets |
| c) the seat of government | d) machines, buildings and tools |
- (vi) Express sunk costs
- | | |
|--|---|
| a) Costs that can be recovered | b) Costs that have already been incurred |
| c) Costs that are incurred in the future | d) Costs that vary with production levels |
- (vii) Select the following is an example of opportunity cost
- | | |
|------------------------------------|--------------------------------|
| a) Rent paid for using a building | b) Purchase price of machinery |
| c) Salaries of permanent employees | d) Cost of raw materials |
- (viii) Discuss Recurring costs are
- | | |
|--|---------------------------|
| a) Costs that occur regularly and repeatedly | b) Costs that happen once |
|--|---------------------------|

- c) Costs that are not related to production
 (ix) express the Nonrecurring costs are
 a) Costs that happen once
 c) Costs that can be recovered
- (x) Select the following is a disadvantage of using the Internal Rate of Return (IRR) as an investment criterion
 a) It may result in multiple IRRs
 c) It ignores the time value of money
- (xi) Predict in incremental analysis, which of the following statements is true
 a) All costs and benefits are considered equally
 c) Only the total costs and benefits of each alternative are considered
- (xii) Choosing an analysis method, what should be considered
 a) The easiest method to use
 c) The method that takes the least time
- (xiii) Determine future worth analysis used for
 a) Comparing the present value of alternatives
 c) Assessing historical investment performance
- (xiv) Choose the following is NOT a consideration in calculating the rate of return
 a) Time period of the investment
 c) Currency exchange rates
- (xv) Predict in incremental analysis, what is the focus when comparing alternatives
 a) Total costs and benefits
 c) Historical costs and benefits
- d) Costs that are always variable
 b) Costs that occur regularly and repeatedly
 d) Costs that vary with production levels
- b) It is difficult to calculate
 d) It does not consider project size
- b) Only the changes in costs and benefits between alternatives are considered
 d) Costs and benefits are ignored completely
- b) The method that supports the desired outcome
 d) Random selection
- b) Analyzing the potential future value of an investment
 d) Evaluate the investment
- b) Initial investment amount
 d) Final value of the investment
- b) Changes in costs and benefits between alternatives
 d) Variable costs

Group-B

(Short Answer Type Questions)

3 x 5=15

2. Define problem in the context of decision making (3)
 3. Express the Power-Sizing Model (3)
 4. Generalize the Improvement Curve influence estimating (3)
 5. Illustrate price elasticity of demand. (3)
 6. Classify Price Index (3)

OR

- Estimate the effects of inflation (3)

Group-C

(Long Answer Type Questions)

5 x 6=30

7. Explain the causes of changes in price indexes. (5)
 8. Explain the taxes affect economic criteria in financial analysis (5)
 9. Describe the overview of Economic Decision Making. (5)
 10. State the major problems in Economic Decision Making. (5)
 11. Differentiate between cash costs and book costs. (5)
 12. Consider the price change affect various indexes differently (5)

OR

- Compare composite and commodity indexes. (5)