

Code: CE8T2

IV B.Tech - II Semester – Regular Examinations – April 2016

**ENGINEERING ECONOMICS AND PROJECT
APPRAISAL
(CIVIL ENGINEERING)**

Duration: 3 hours

Max. Marks: 70

Answer any FIVE questions. All questions carry equal marks

1. Define Economic Efficiency. What are the several ways by which the economic efficiency can be improved? 14 M
2. List and explain the different situations deserving elementary economic analysis. 14 M
3. What is life-cycle costing? Why is Life Cycle Costing Important to a Utility? Justify. 14 M
4. Company A and Company B both under the same management makes and sells the same type of product. Their budgeted profit and loss accounts for the year ending 2010 are as follows: 14 M

Particulars	Company – A		Company – B	
	Rs.	Rs.	Rs.	Rs.
Sales		3,00,000		3,00,000
Less: Variable Cost	2,40,000		2,00,000	
Fixed Cost	<u>30,000</u>		<u>70,000</u>	
		2,70,000		2,70,000
Profit		<u>30,000</u>		<u>30,000</u>

State which company is likely to earn greater profits in condition of ?

- a) Heavy demand for the product.
- b) Low demand for the product.

Give your reasons.

5. Compare between simple payback period and discounted payback period. Explain the advantages and disadvantages of discounted payback period. 14 M
6. What is meaning of feasibility study? Explain different types of feasibility studies. 14 M
7. Define project planning. What methods are used to reduce the project cost? 14 M
8. What is various methods of costing? 14 M