PVP 14

Code: CE8T2

IV B.Tech - II Semester - Regular Examinations - March 2018

ENGINEERING ECONOMICS AND PROJECT APPRAISAL
(CIVIL ENGINEERING)

Duration: 3 hours Max. Marks: 70

PART – A

Answer ***all*** the questions. All questions carry equal marks

11 x 2 = 22 M

1.

a) List types of Efficiency.
b) Micro Economics.
c) Role of Building material selection in economic Analysis.
d) What is net present value?
e) Process Planning.
f) Out of Pocket Cost.
g) Marginal Cost.
h) Payback Period.
i) Benefit Cost Ratio.
j) Project Life Cycle.
k) Unit Costing.

PART – B

Answer any ***THREE*** questions. All questions carry equal marks.
3 x 16 = 48 M

2.a) Define Economics and explain its nature. 8 M

b) Distinguish between micro-economics and macro-economics. 8 M

3. Discuss the marginal selection for a product and the design selection for a product with suitable examples. 16 M

4.a) Explain any four cost concepts with examples. 8 M

b) Consider the following data of a company for the year 2018. Sales Rs.2,40,000/-, Fixed cost Rs.50,000/- Variable cost Rs.75,000/-. Find 8 M

i) P/V ratio ii) Profit

iii) BEP iv) Margin of Safety

5.a) Explain the benefit-cost ratio methods for project evaluation. 8 M

b) Consider the case of the company with the following two investment alternatives each costing ₹ 5,00,000. The details of the cash inflows are as follows: 8 M

Year	Cash flows (in ₹)	
	Project-1	**Project- 2**
1	150000	50000
2	200000	150000
3	250000	200000
4	150000	300000
5	100000	200000

The cost of capital is 12% per year. Which one will you choose under NPV Method?

6. Explain the concept of project. What are the various stages in the total project life cycle? Make a flow chart to explain the same. 16 M