

GANPAT UNIVERSITY
B.Tech. Sem-IV (Open Elective) CBCS Regular (All Branch)
Regular Examination May-June -2014
2OS401 Economics for Engineers

Time: 3 Hours

Total Marks: 70

Section – I

- Que. – 1 (A) Define the following terms. 12
1. Cash reserve ratio
 2. Deficit financing
 3. Statutory Liquidity ratio
 4. Fiscal policy
- (B) What is inflation? Explain the causes of inflation.

OR

- Que. – 1 (A) What is the objective of monetary policy? Explain Which are the various instruments of monetary policy? 12
- (B) What is fiscal policy? Which are the various instruments of fiscal policy? Explain
- Que. – 2 (A) What is the role of economics in various field like 11
1. Engineering
 2. Banking
 3. Government policies
 4. Production
- (B) Explain the term goods? Explain different types of goods.

OR

- Que. – 2 (A) What do you mean by economics? Explain division of economics. 11
- (B) Short note on: - Gross Domestic Product.
- Que. – 3 Attempt any three. 12
- (A) Explain ROI, IRR & payback period with respect to time value of money with example.
- (B) Explain the different methods for calculating depreciation.
- (C) Write the advantages and disadvantages of reducing balance method.
- (D) Explain free trade and protection.

Section – II

- Que. – 4 (A) Explain the different techniques of Time value of money with an example. 12
- (B) Explain the term “Depreciation” & causes of Depreciation.

OR

- Que. – 4 (A) What is money? Explain different kinds of money. 12
- (B) Short note on Speculation.
- Que. – 5 (A) Give the difference between 11
1. Wages & salaries
 2. Large scale production & small scale production
 3. Law of Demand & Law of Supply
- (B) Write a short note on RBI.

OR

Que. - 5 (A) Define the term. 11
1. GNP 2. National income 3. Need 4. Wants 5. Price determination
(B) Explain scope of economics.

Que. - 6 Attempt all. 12
(A) Two machines are purchased, each for Rs. 12000. The estimated useful life of machines is 5 years. The estimated scrap value is Rs. 2000. For machine A, Straight line method, for B, reducing balance method with $p=30\%$ is used to calculate the depreciation every year. Compare depreciation charged in each case.
(B) Suppose a firm deposits Rs. 50 lakhs at the end of each year, for 4 years at the rate of 6% interest and compounding is done on quarterly basis. What is the compound value at the end of 4th year?

END OF PAPER