

# ENGINEERING ECONOMICS AND FINANCIAL ACCOUNTING

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## UNIT - I

### 2 MARKS

1. Define managerial economics.
2. What is micro economics?
3. What is macro economics?
4. What is positive theory of economics?
5. What is normative theory of economics?
6. Name few applications/significance of managerial economics.
7. What are the different types of firms?
8. Who is sole trader? Name a few features of sole tradership.
9. What is the nature of partnership business?
10. Differentiate partnership firm with that of pvt ltd.
11. Name a few roles of managerial economist in business.
12. Name a few objectives of the firm.
13. How is managerial economics related with operations research?
14. Name some features of decision making.
15. Write down the steps involved in decision making process.
16. List out certain administrative problems in decision making.
17. What is decision analysis?
18. List out steps in rational decision making process.
19. How managerial economics helps in solving engineering problems.
20. Explain the features of managerial economics.

### 16 MARKS

1. Explain in detail about the scope of managerial economics.
2. Explain in detail different objectives of a firm.
3. Explain the different types of firm.
4. How is managerial economics related with other disciplines?
5. What is rational decision making? Explain the process of decision making.
6. Explain the concept of managerial economics. List out the applications and importance of managerial economics.
7. Differentiate microeconomics and macroeconomics.
8. Explain Baumoul's theory of sales revenue maximization.
9. Explain Marri's theory of firm's growth rate.
10. What is meant by managerial decision making? Explain in detail about decision analysis.

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## UNIT - II

### 2 MARKS

1. Define demand. Name a few determinants of demand.
2. What is demand function?
3. What are the different types of demand?
4. What is demand elasticity? Name different elasticity's in demand.
5. How will you derive price elasticity of demand?
6. What are the different techniques to forecast demand?
7. What is supply? Explain law of supply.
8. Name different determinant s of supply.
9. What is supply function?
10. Explain in brief about elasticity of supply.
11. What is income elasticity of demand?
12. What are complementary goods? How does their nature affect demand?
13. What is cross elasticity in demand?
14. Explain with example about the effect of demand for substitute goods.
15. Define law of demand. Name a few assumptions of law of demand.
16. Explain with examples exceptions to law of demand.
17. What is autonomous and derived demand?
18. Differentiate individual and market demand.
19. How does population of the country affect demand?
20. Name a few exceptions to law of supply.

### 16 MARKS

1. What is demand? Explain the different determinants of demand.
2. Explain in detail about elasticity of demand.
3. Explain in detail about demand forecasting.
4. What is supply? Explain the determinants of supply.
5. Define demand. Explain in detail about types of demand.
6. What is supply function? Explain elasticity of supply.
7. Explain in detail about price elasticity of supply.
8. Explain the different techniques of demand forecasting.
9. Explain the significance of measuring elasticity of demand.
10. Explain the demand curve, law of demand, exceptions to law of demand and demand function.

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## UNIT – III

### 2 MARKS

1. Define production.
2. What is production? Derive production function.
3. What do you mean by increasing returns to scale?
4. What is diminishing returns to scale?
5. What is isoquants?
6. Name few managerial uses of production function?
7. What is production optimization?
8. What is the significance of returns to scale?
9. What are the different types of isoquants?
10. Explain the law of returns to scale.
11. Name the different types of cost.
12. What is cost? Name different determinants of cost.
13. Differentiate short run and long run cost.
14. What is production function?
15. Name some characteristics of isoquants.
16. What are historical and replacement costs?
17. How does technology affect cost of production?
18. How to estimate cost-output relationship?
19. What do you mean by economies of scale?
20. What is opportunity cost?

### 16 MARKS

1. Define isoquants. Explain the different types of isoquants.
2. How to optimize production? Explain various least cost input possibilities with an example.
3. What is cost function? Explain the various determinants of cost.
4. Explain in detail about long run cost curves.
5. Explain in detail on how to estimate cost.
6. Explain about long run and short run cost curves.
7. Explain in detail about the cost and output relationship with appropriate diagram.
8. Explain in detail about economies and diseconomies of scale.
9. Explain in detail about Laws of returns to scale.
10. Write short notes on a) Out of pocket and book cost b) Past and future cost c) Accounting and economic cost.

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## UNIT - IV

### 2 MARKS

1. Name any few determinants of price.
2. What are the different types of market structures?
3. What are the features of perfect competitive market?
4. What are the features of monopolistic market?
5. What is price discrimination?
6. What is product differentiation?
7. What are the different cost - based pricing methods in practice?
8. What is the strategy based pricing?
9. What do you mean by market penetration?
10. Compare competition – oriented pricing & demand – oriented pricing.
11. Explain the features of sealed – bid pricing.
12. What is imperfect competition?
13. Explain about the profitability of monopolistic market.
14. Explain the features of monopoly.
15. Differentiate perfect competition & imperfect competition.
16. What are the different types of imperfect market?
17. What are the merits of price discrimination?
18. What do you mean by pricing under different objectives?
19. What is the role of government in price control?
20. What is the responsibility of bureau of industrial costs & prices in controlling prices?

### 16 MARKS

1. Explain in detail various determinants of price.
2. Explain the pricing strategy under different objectives.
3. How to determine price under perfect competition?
4. How to determine price under monopolistic competition?
5. Explain in detail different features of monopoly & monopolistic competition.
6. Differentiate perfect competition & monopolistic competition.
7. What are the different pricing methods in practice?
8. What is the role of government in price control?
9. Write short notes on a) price discrimination b) product differentiation c) equilibrium point.
10. Differentiate the features of perfect competition, monopoly, monopolist & oligopoly.

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## UNIT - V

### 2 MARKS

1. What is financial accounting?
2. What are the different functions of financial accounting?
3. What are the different techniques or tools of financial statement analysis?
4. What is trading account? What do you infer from preparing it?
5. Name few items that appear on the debit side of profit & loss account.
6. What do you mean by liability?
7. Differentiate fixed assets & current assets.
8. Name few current liabilities that appear on balance sheet.
9. What is ratio analysis?
10. Formulate a) ROI b) Capital gearing ratio.
11. What are the limitations of financial statement analysis?
12. What is a comparative financial statement?
13. Explain the meaning of 'trend analysis' of financial statements.
14. What is solvency ratio? Give 2 examples.
15. What is schedule of changes in working capital?
16. What is funds from operations?
17. What is working capital?
18. Name few significant uses of cash flow statement.
19. Formulate debt equity ratio & working capital turnover ratio.
20. Distinguish between fund flow statement & cash flow statement.

### 16 MARKS

1. Write the format (profoma) of trading & profit & loss A/c.
2. List out the significance of cash flow statement
3. Differentiate fund flow statement & cash flow statement.
4. Write and explain the elements of balance sheet.
5. Write the format of cash flow statement.
6. Write the format of fund flow statement.
7. Write short notes on a) return on investment b) turnover ratio c) solvency ratio
8. What do you mean by analysis & interpretation of financial statements? Explain various techniques of analysis.
9. Comparative financial statements are prepared based on past data for future projections. Explain with format.
10. Formulate the following a) financial ratios b) turnover ratios d) profitability ratios.
11. Simple Problems in trading & profit & loss a/c

# ENGINEERING ECONOMICS AND FINANCIAL ACCOUNTING

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## UNIT - VI

### 2 MARKS

1. What is capital budgeting?
2. What are the objectives of preparing capital budget?
3. What factors influence capital expenditure decisions?
4. Name the different methods of capital budgeting.
5. What are the advantages of accounting rate of return?
6. What is NPV?
7. What are the demerits of IRR?
8. Compare IRR with NPV method of capital budgeting.
9. What is capital rationing?
10. What are the traditional methods of capital budgeting?
11. How to evaluate budget proposal using pay – back method?
12. Formulate a) NPV b) profitability index method.
13. What do you mean by discounted pay – back method?
14. What are the merits of NPV method?
15. What are the advantages of pay – back method?
16. What factors influence cash inflow & cash outflow?
17. Explain the method of calculation of NPV method?
18. What improvements were made in traditional approach?
19. What is discounted pay – back method?
20. What is meant by risk & uncertainty?

### 16 MARKS

1. What is capital budgeting? Explain its features & objectives.
2. Explain in detail significance of capital budgeting.
3. What are the various factors influencing capital expenditure decisions?
4. What are the various methods of evaluation of investment proposals?
5. Explain in detail traditional methods of capital budgeting.
6. Explain in detail about discounted cash flow methods.
7. What are the advantages & disadvantages of pay – back method?
8. Explain in detail on NPV & its methods including merits & demerits.
9. Explain in detail about methods of dealing with risk.
10. Write short notes on a) pay – back b) NPV c) ARR d) IRR.
11. Simple problems on a) pay – back b) NPV c) ARR d) IRR.