

[This question paper contains 3 printed pages.]

Your Roll No.

3288

J

B.Tech. (EE/EC)/II

EEE/EEC-202—ENGINEERING ECONOMICS

AND ACCOUNTANCY

Time : 3 Hours

Maximum Marks : 70

*(Write your Roll No. on the top immediately
on receipt of this question paper.)*

*Attempt **three** questions from Group A
and **two** questions from Group B.*

Group A

1. (a) Discuss various factors upon which demand depends and bring out difference between Normal commodity and Giffen commodity. 7
- (b) Define Price elasticity of demand and discuss the relationship between Average revenue (AR), Marginal revenue and Price elasticity. How this price elasticity of demand is different from cross elasticity of demand? 7
2. (a) Explain the law of diminishing utility. Illustrate your answer with appropriate diagrams. Discuss also the assumptions and limitations of this law. 7

[P. T. O.]

- (b) A company has extra capacity that can be used to produce a sophisticated fixture which it has been buying for Rs. 250 per unit and variable overhead cost of Rs. 100 per unit. The annual fixed cost associated with the unused capacity is Rs. 10,00,000. Demand over the next year is estimated at 5,000 units. Would it be profitable for the company to make the fixture? 7
3. (a) State the conditions under which a firm can minimize the cost for a given level of output. 7
- (b) Given the demand function and total cost function of the perfect competition firm as
- $$P = 32 - X$$
- and $TC = X^2 + 8X + 4$
- What level of output will maximise total profit and what are the corresponding values of price (P), profit (π), and total revenue (TR)? 7
4. (a) What is Production function? How does a production function serve a useful purpose in production analysis? 7
- (b) A monopoly firm may earn normal or abnormal profits or may even incur losses in the short run. Do you agree with this statement? Give reasons for and illustrate your answer. 7

Group B

5. (a) What is Cost Accounting? What are its objectives ? 7
- (b) How do cost accounting records help in the planning and controlling operations of a business enterprise? 4
- (c) Who are the user of accounting information ? 3
6. (a) Explain briefly the different elements of cost. 7
- (b) Distinguish between Unit costing and Job costing and indicate the type of industries where each would be applicable. 5
- (c) What do you mean by opportunity cost? 2
7. Write short notes on : 14
- (i) Break Even Volume
- (ii) Relevance of Accountancy for Engineers
- (iii) Direct and Indirect Cost
- (iv) Step Cost.