B.E./B.Tech DEGREE EXAMINATION (NOV 2011)

ANNA UNIVERSITY, CHENNAI-600 025

Seventh Semester

ELECTRICAL AND ELECTRONICS ENGINEERING

EE-9025--- ENGINEERING ECONOMICS AND FINANCIAL ACCOUNTING

(Regulation 2008)

Time : 3 hours   Maximum Marks:100

Answer **ALL** questions

PART-A – (10 x 2 = 20 marks)

1. What do you understand by complimentary goods and substitution goods?

2. What is   (i) *'ceteris paribus'*   *(ii) unit elasticity of demand*

3. What is consumer surplus?

4. What are the factors of production and how are they measured?

5. What are the characteristics of perfect-competition in a market?

6. What are the objectives of financial accounting?

7. Briefly explain the term Real accounts.

8. Define :-   (i)   Equilibrium price

                      (ii) Profitability ratio.

9. What are the merits and demerits of Net Present Value (NPV)?

10. What are the factors affecting investment decision?

PART-B--- (5 x 16 = 80 marks)

11. Define micro and macro economics and explain its relevance to a stable economy.

12. (a)   Define and give an example of each of the following terms and concepts .Give suitable diagrammatic illustrations:-

        (a)   Change in Demand

        (b)   Change in Supply

    (b)   Oligopolies are characterised by 'a few' firms in the industry. What is meant by 'a few firms' and when does 'a few' become "too many"?

<div align="center">OR</div>

Product differentiation is an essential characteristic of oligopolistic market structure. Do you agree? Explain

13. What are the advantages of fund flow statement? Also describe its limitations.

<div align="center">OR</div>

Distinguish between fund flow and cash flow statements?

14. (a)   A firm's current assets and current liabilities are Rs. 1,800 and Rs. 1,200 respectively. How much can it borrow on a short term basis without reducing its current ratio below 1.20?

    (b)   Why do governments grant patents and copyrights?

15. (a)   What is direct cost? Explain with respect to a construction project.

<div align="center">OR</div>

What do you understand by responsible accounting?

    (b)   Explain each of the following pricing practices:

        (i)   Price skimming

        (ii) Penetration pricing

        (iii) Psychological pricing

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