

GUJARAT TECHNOLOGICAL UNIVERSITY

BE- SEMESTER- IV EXAMINATION – SUMMER 2026

Subject Code:3140911

Date:19-05-2026

Subject Name:Economics for Engineers

Time:10:30 AM TO 01:00 PM

Total Marks:70

Instructions:

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.
4. Simple and non-programmable scientific calculators are allowed.

- Q.1**
- (a) Why is the study of Economics useful for engineers? **03**
 - (b) What is cost indexes? Explain in short. **04**
 - (c) Explain in details about economics decisions making process. **07**
- Q.2**
- (a) Explain per unit model of estimate. **03**
 - (b) Explain cash cost and book cost in detail. **04**
 - (c) Explain with example: Fixed, Variable, Marginal & Average Costs, **07**
- OR**
- (c) Explain with example: Sunk Costs, Opportunity Costs, Recurring And Nonrecurring Costs. **07**
- Q.3**
- (a) Explain different types of interest on capital investment **03**
 - (b) What is time value of money? **04**
 - (c) What is important of break even analysis in estimating base price of any product? Explain it with proper diagram. **07**
- OR**
- Q.3**
- (a) Explain benefit cost analysis. **03**
 - (b) What is time value of money? **04**
 - (c) Explain cash flow diagram in details w.r.t. investment activities. **07**
- Q.4**
- (a) Define Debt repayment. **03**
 - (b) Explain sensitivity analysis. **04**
 - (c) Explain Rate of Return with detail example. **07**
- OR**
- Q.4**
- (a) Explain sunk cost. **03**
 - (b) Compare Composite vs Commodity Indexes. **04**
 - (c) Discuss Case Study – Competition in the Advertise Segment in India **07**
- Q.5**
- (a) What are the Effects of Inflation? **03**
 - (b) Explain Applying Present Worth Techniques **04**
 - (c) Explain end of year conviction in any business model. **07**
- OR**
- Q.5**
- (a) What are the Effects of Deflation? **03**
 - (b) What is viewpoint of borrowed money w.r.t. present worth analysis. **04**
 - (c) How the price indexes helps in engineering economics analysis. **07**
