

**GUJARAT TECHNOLOGICAL UNIVERSITY****BE - SEMESTER-IV (NEW) EXAMINATION – WINTER 2021****Subject Code:3140911****Date:31/12/2021****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) Explain the term “economics” and in the context of economics. **03**  
 (b) Explain the types of Estimates. **04**  
 (c) Describe the types of cost briefly. **07**
- Q.2** (a) Explain the Price elasticity. **03**  
 (b) What is the nominal and effective interest? **04**  
 (c) Explain Cash Flow diagram in detail. **07**
- OR**
- (c) Explain Time value of Money with example. **07**
- Q.3** (a) What is the purpose of cash flow analysis? **03**  
 (b) What is the Benefit-to-Cost Ratio? What is the value of good benefit/cost ratio? **04**  
 (c) Write a Brief note on Break Even Analysis. **07**
- OR**
- Q.3** (a) Explain Income Elasticity. **03**  
 (b) What is incremental analysis. **04**  
 (c) Explain Rate of Return (RoR). Write the formula of RoR. Give the example of RoR. **07**
- Q.4** (a) What is price index? **03**  
 (b) Write a short note on Composite index. **04**  
 (c) What do you mean by inflation? What are the causes of inflation? **07**
- OR**
- Q.4** (a) What is End of year convention? **03**  
 (b) What are the methods to control the inflation? Explain any one. **04**  
 (c) Define term Taxes in brief with types. **07**
- Q.5** (a) What are Economic criteria? **03**  
 (b) Write a short note on commodity index. **04**  
 (c) What are the assumption and limitations of breakeven analysis? **07**
- OR**
- Q.5** (a) What is the difference between nominal cash flow and real cash flow? **03**  
 (b) Write a short note on Learning Curve Theory. **04**  
 (c) What are the effects of inflation and deflation? **07**

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