

# Model Question Paper (CBCS) with effect from 2015-16

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## Fifth Semester B.E. Degree (CBCS) Examination

### Management and Economics

Time: 3 hrs.

Max. Marks: 80

Note: Answer any FIVE full questions, choosing one full question from each module.

#### MODULE – I

- 1 a Define Management. Explain the levels of Management (06 Marks)  
b Explain principles of management as formulated by Fayol. (10 Marks)

OR

- 2 a Explain the importance of planning. (06 Marks)  
b List & Explain the steps involved in planning (10 Marks)

#### MODULE – II

- 3 a Briefly Explain Maslow's Hierarchy of needs. (08 Marks)  
b What is span of control? Explain the factors governing it. (08 Marks)

OR

- 4 a Explain the steps involved in selection process. (08 Marks)  
b Define controlling. Explain the steps involved in controlling (08 Marks)

#### MODULE – III

- 5 a Differentiate between: i) Intuition and Analysis, ii) Tactics & Strategy (06 Marks)  
b A person is planning for his retired life. He has 10 more years of service. He would like to deposit 20% of his salary, which is Rs.4000 /- in the first year and thereafter he wishes to deposit with an annual increase of Rs.500/- for the next 9 years with interest rate of 15%. Find the total amount at the end of 10<sup>th</sup> year of the above series. (10 Marks)

OR

- 6 a Explain the law of diminishing returns and its limitations (06 Marks)  
b An amount of Rs.1200 per year is to be paid into an account each for the next five years. Using a nominal interest of 12% determine the total amount the account will have at the end of 5<sup>th</sup> year under the following conditions. (10 Marks)  
(i) Deposit made at the end of each year with interest compounded monthly.  
(ii) Deposit made at the end of each year with interest compounded continuously.

#### MODULE – IV

- 7 a State and explain the conditions for PW comparison (06 Marks)  
b Two types of trucks are available for transportation use. The details are as follows (10 Marks)

Particulars	Truck A	Truck B
First Cost	8,00,000	12,00,000
Maintenance Cost	16,000	12,000
Estimated salvage value	2,00,000	4,00,000
Estimated Life	4 years	8 years

Both the truck deliver the same amount of work. Assume interest rate of 7%. Which truck is to be preferred on PW case.

OR

Important Note: 1. On completing your answers, compulsorily draw diagonal cross lines on the remaining blank pages.  
2. Any revealing of identification, appeal to evaluator and /or equations written e.g., 38+2 = 40, will be treated as malpractice.

- 8 a Explain the two prominent methods used for comparison of assets that have unequal lives. (08 Marks)
- b Investment proposals A and B have the net cash flow given below: (08 Marks)

Proposal	End of Years				
	0	1	2	3	4
A(Rs)	-10000	3000	3000	7000	6000
B(Rs)	-10000	6000	6000	3000	3000

Compare the present worth of A and B at  $i = 18\%$  and which proposal should be selected.

### MODULE – V

- 9 a What is depreciation? List different methods of determining depreciation. Explain any two of them. (08 Marks)
- b Explain why estimation and costing is required. (08 Marks)

### OR

- 10 a A CNC machine costs Rs. 40,00,000 is estimated to serve 8 years after which its salvage value is estimated to be Rs.3,50,000. Find, (08 Marks)
- (i) Depreciation fund at the end of the 5<sup>th</sup> year by fixed percentage method and declining balance method.
- (ii) Book value of the machine after 4<sup>th</sup> year and 6<sup>th</sup> year by declining balance method.
- b A company purchases a lathe machine for Rs.5,00,000 for operating it for 5 years at an interest rate of 5%. If the salvage value is Rs.60,000 after 5 years determine, (08 Marks)
- (i) Sinking fund amount
- (ii) Annual depreciation cost.