

CBCS SCHEME

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15CT52

Fifth Semester B.E. Degree Examination, Dec.2018/Jan.2019 Construction Economics and Finance

Time: 3 hrs.

Max. Marks: 80

- Note: 1. Answer any FIVE full questions, choosing one full question from each module.
2. Use of interest tables are allowed in the exam.**

Module-1

- 1 a. Explain with examples break even analysis and state its limitations. (08 Marks)
b. Explain with sketch demand and supply curve with suitable examples. (08 Marks)

OR

- 2 a. Describe how the role of economics gained importance in engineering activities. (08 Marks)
b. Explain briefly the elasticity of demand and what are the factors governing elasticity of demand. (08 Marks)

Module-2

- 3 a. Describe how housing development is significant to urban economics. (08 Marks)
b. Suppose you are the labour minister of the country, how would you tackle the rising unemployment in the construction industry? (08 Marks)

OR

- 4 a. Explain how transport and other infrastructures has rapidly changed the face of modern India over the last 20 years. (08 Marks)
b. Write short notes on the following :
i) Economics of Ecology
ii) Energy Resources. (08 Marks)

Module-3

- 5 a. Explain briefly external commercial borrowings. (08 Marks)
b. Explain the objectives for financial management and discuss its importance. (08 Marks)

OR

- 6 a. Explain hybrid financing and debt financing. (08 Marks)
b. List the various forms of long term financing and explain any three of them briefly. (08 Marks)

Module-4

- 7 a. What is cash flow statement? What are advantages and disadvantages of cash flow statements? (08 Marks)
b. A manufacturing firm has the following information on its capital
Sales = Rs 20 lakhs
Cost of goods sold = Rs 10 lakhs
Operating expenses = Rs 5 lakhs
Determine: i) Gross profit margin ii) Net profit margin. (08 Marks)

OR

- 8 a. Explain in detail types of financial ratio with relevant formula. (08 Marks)
 b. The New consolidated construction company having certain reserves and surplus has following details as on 31, Dec. 2000.

Dividend payable	Rs. 72,000	Debtors	Rs. 1, 60,000
Bank balance	Rs. 10,000	Bill payable	Rs. 20,000
Equally shares	Rs. 2,00,000	Plant and Equipment	Rs. 80,000
Provision of taxes	Rs. 40,000	Bill receivable	Rs. 20,000
Stock	Rs. 77,000	Creditors	Rs. 55,000
8% preference shares	Rs. 1,35,000	General reserve	Rs. 40,000
Land and building	Rs. 2,00,000	Cash in hand	Rs. 15,000

Prepare a balance sheet as on 31st December 2000.

(08 Marks)

Module-5

- 9 a. What is working capital? Explain the significance of working capital management in Construction management. (08 Marks)
 b. Write short notes on the following : (08 Marks)
 i) Liquidity ii) Profitability.

OR

- 10 a. Discuss various approaches to determine an appropriate financing mix of working capital. (08 Marks)
 b. List and explain the factors affecting working capital requirements. (08 Marks)

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