

CBCS SCHEME



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17CT52

Fifth Semester B.E. Degree Examination, Dec.2019/Jan.2020 Construction Economics and Finance

Time: 3 hrs.

Max. Marks: 100

- Note:** 1. Answer any FIVE full questions, choosing ONE full question from each module.
2. Use of interest tables is permitted.

Module-1

- 1 a. What are the support matters of economy or related to engineering. (10 Marks)
b. With suitable example from construction industry, explain market equilibrium. (10 Marks)

OR

- 2 a. Briefly explain about engineering economics and process of decision making. (10 Marks)
b. Draw demand and supply curves with suitable examples. (10 Marks)

Module-2

- 3 a. Brief about the changes happened over last 20 years in transport and infrastructure industry. (10 Marks)
b. Write a short note on :
i) Economics of ecology
ii) Energy resources. (10 Marks)

OR

- 4 a. Explain unemployment effects on economics due to migration of construction workers to urban area. (10 Marks)
b. What are the resources requires for construction industry? And brief about energy resources. (10 Marks)

Module-3

- 5 a. Explain briefly external commercial borrowings. (10 Marks)
b. What is Financial Management? Explain the need of financial management. (10 Marks)

OR

- 6 a. List out various long term sources of finance and explain them briefly. (10 Marks)
b. What is budget support? What assistance of budget support from the government? (10 Marks)

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 eg. 42+8 = 50, will be treated as malpractice.

Module-4

- 7 a. Explain the uses of cash flow and fund flow statements. (10 Marks)
 b. A manufacturing firm is disclosing the following information

Sales (20% cash sales)	25,00,000
Cost of goods purchased	10,00,000
Wages	2,00,000
Overheads	3,00,000
Operating expenses	4,00,000
Current assets (inventory 2 lakhs)	6,00,000
Current liabilities (BOD 1 lakhs)	3,00,000

Determine the following along with workings :

- Gross profit ratio
- Net profit ratio
- Current ratio
- Quick ratio.

(10 Marks)

OR

- 8 a. Explain the following ratios :

- Acid test ratio
- Stock turnover ratio
- Proprietary ratio
- Gross margin.

(10 Marks)

- b. Summary of cash extracted from the books of Happy Ltd. Are as follows.

Particulars	Amount (‘000)
Balanced as no 1 st April 2019	140
Receipts from customers	11,132
Issue of shares	1,200
Sales of fixed assets	512
Payment to suppliers	8,188
Payment for fixed assets	920
Payment for over heads	460
Wages and Salaries	276
Taxation	972
Dividends	320
Repayment of Bank loan balance as 31 st March 2019	1,000

You are required to prepare cash flow statement of the company for the period ending 31st March 2019 in accordance with Indian Accounting Standards. (10 Marks)

Module-5

- 9 a. What is working capital? Explain the significance of working capital with reference to construction management. (10 Marks)
 b. Explain the importance of adequate working capital in construction business. (10 Marks)

OR

- 10 a. List out what are the factors are effecting capital and explain them briefly. (10 Marks)
 b. Briefly explain the following :
 i) Liquidity
 ii) Profitability. (10 Marks)