

Total No. of Questions : 8]

SEAT No. :

PB-3746

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T.E. (Civil)

**ENGINEERING ECONOMICS & FINANCIAL
MANAGEMENT**

(2019 Pattern) (Semester - I) (301004)

Time : 2½ Hours]

[Max. Marks : 70

Instructions to the candidates:

- 1) Answer Q.1 or Q.2, Q.3 or Q.4, Q.5 or Q.6 and Q.7 or Q.8.
- 2) Neat sketches must be drawn wherever necessary.
- 3) Figures to the right indicate full marks.
- 4) Assume suitable data, if necessary.

Q1) a) Explain in brief different features of contract costing. [5]

b) What are the different costs involved in contract account? [5]

c) A construction company undertakes large contracts. The following are the particulars related to contract carried during the year ended on 31 st March 2020. Prepare a contract account and find out notional profit. How much profit is to be transferred to P&L account and in reserve?

[8]

Particulars	Amt.(Rs.)	Particulars	Amt.(Rs.)
Work certified	165000	Wages accrued on 31 st March	6200
Work not certified	5600	Direct expenses	4900
Plant installed at site	12500	Material on hand	2700
Values of plant	17000	Material returned to store	750
Material sent to site	76300	Direct expenses accrued	920
Labor charges	69500	Contract price	190000
Establishment charges	4900	Cash received from contract	150000

OR

Q2) a) Discuss the role of financial manager in construction financial management. [5]

b) Explain the contents of format of contract account. [5]

P.T.O

- c) A construction company undertakes large contracts. The following are the particulars related to contract carried during the year ended on 31st March 2020. Prepare a contract account and find out notional profit. How much profit is to be transferred to P&L account and in reserve?

[8]

Particulars	Amt.(Rs.)	Particulars	Amt.(Rs.)
Work certified	150000	Wages accrued on 31 st March	5800
Work not certified	5100	Direct expenses	4520
Plant installed at site	12500	Material on hand	2700
Values of plant	20000	Material returned to store	950
Material sent to site	72400	Direct expenses accrued	800
Labor charges	70000	Contract price	230000
Establishment charges	6200	Cash received from contract	140000

- Q3) a) Define capital budgeting and discuss payback period method with the help of example. [5]
- b) How to calculate simple and compound interest? What is the difference between simple and compound interest payable on principal of Rs.20000 in 7 years at rate of interest of 7% per annum? [6]
- c) The data below shows yearly Cash flows of projects. Use NPV method and decide which project is to be accepted? Consider 12 % discounting rate. [6]

Project	Initial investment (Rs.)	Yearly cash flows (R.s)	
		1	2
A	87000	56500	50000
B	145000	90000	85000

OR

- Q4) a) What do you understand NPV method of capital budgeting? Explain with the help of suitable example. [5]
- b) How to calculate simple and compound interest? What is the difference between simple and compound interest payable on principal of Rs.25000 in 8 years at rate of interest of 6% per annum? [6]
- c) A building is constructed at cost of Rs.20 lakhs. Consider life of building to be 80 years and scrap value of building to be 10% of building cost. Determine depreciation in 30 year. Use straight line and constant percentage method. [6]

- Q5) a)** List out current assets and current liabilities included in working capital. [5]
- b) List out different methods of inventory control and list out step by step procedure to conduct ABC analysis? [6]
- c) The rate of use of cement from the store is 24000 bags per year. The cost of placing order is Rs.25. The cost of a cement bag is Rs. 350/-The cost of carrying inventory in percent per year is 0.25. Determine [6]
- EOQ
 - order time; consider lead time is one month
 - No. of orders placed.

OR

- Q6) a)** List out methods of estimation of working capital and explanation of any one method in detail. [5]
- b) Segregate items based on their annual usage, calculate percentage cumulative annual usage and draw ABC curve for the following data [6]

Items	Cement	Sand	Steel	Murum	Nails	Water
Annual Consumption	2000 bags	120 cum	4600 Kg	3200 cum	1100 kg	130,000 lit
Unit Cost (Rs.)	350 per bag	5000 per cum	50 per Kg	150 per cum	100 per kg	4 per lit.

- c) Calculate working capital using the data as follows by considering 20 % contingencies. [6]

Particulars	Amt.(Rs.)	Particulars	Amt. (Rs.)
Bank balance	350000	Account payable	150000
Term loan	320000	Finished goods	140000
Payable unclaimed dividend	40000	Account receivable	220000
Commission receivable	90000	Staff provident fund	200000

Q7) a) Write a note on tax deduction against income from house property (section 24). [5]

b) Discuss tax system in India before implementation of GST also highlight on advantages of GST. [5]

c) Write a note on exemption on Property tax. And [8]

Calculate the payable property tax to be paid on property located in Chennai by using data as follows

Plinth area = 1500 sq.ft. Monthly rent notified = Rs.12 per sq.ft.
Tax rate = 22 %, Library cess = 10%, consider 15 % rebate on age of building

OR

Q8) a) Write down composition of RBI and list out its main functions. [5]

b) Write a short note on [5]

i) SEBI and

ii) IRDA

c) Write a note on tax deduction against income from property. Also Calculate property tax for the RCC bungalow located in *Baramati*, having carpet area 250 sq.m. Consider Base value Rs.300 per sq.m. Use category factor = 1, Type of structure factor = 1, Bungalow constructed in 1982 (Age factor = 0.9), Tax rate = 7%. [8]

