

Total No. of Questions : 8]

SEAT No. :

P-7507

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[6180]-14

T.E. (Civil)

**ENGINEERING ECONOMICS AND FINANCIAL
MANAGEMENT**

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

Time : 2½ Hours]

[Max. Marks : 70

Instructions to the candidates:

- 1) *Answer Q1 or Q2, Q3 or Q4, Q5 or Q6, Q7 or Q8.*
- 2) *Figures to the right indicate full marks.*
- 3) *Neat diagrams must be drawn, wherever necessary.*
- 4) *Assume suitable data, if necessary.*
- 5) *Use of non-programmable calculator is allowed.*

- Q1)** a) Who is responsible for Construction Financial Management? State the role of each. [6]
- b) How to treat various items in contract account? [6]
- c) What is Contract Costing? State the features of Contract Costing. [5]

OR

- Q2)** a) The following were the expenses on a contract which commenced on 1st January 2015. [6]

Particular	Amount (Rs.)
Material Purchased	1,10,000
Materials at the end	1,250
Direct Wages	15,000
Plant issued	5,000
Direct Expenses	8,000

The contract price was Rs. 1,50,000. It was duly received when the contract was completed on 31-3-2015. Charge indirect expenses at 15% on wages and provide Rs. 1,000 for depreciation on plant; Prepare the contract account.

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- b) Explain the role of Financial Management in Construction Project management. [5]
- c) Enlist different Contractors document used on site. Also state various facts and information recorded from these documents. [6]

- Q3)** a) Define: Budget. Explain the purpose of budget. [6]
- b) What are different types of Budget? Explain any two in details. [5]
- c) The initial investment in project A and B is Rs. 3000 lakh each. The present value of cash inflow for both the projects mentioned in the following table : [6]

Sr. No.	Present value of cash inflow for project A (in lakh Rs.)	Present value of cash inflow for project B (in lakh Rs.)
1	1181.79	818.10
2	908.60	743.40
3	675.90	675.90
4	437.12	614.70
5	397.44	558.90

Using the profitability index method, which project should the company undertake?

OR

- Q4)** a) What is capital budgeting? Explain aspects of capital budgeting. [6]
- b) Write down a detailed note on “Operating Budget”. [5]
- c) A concrete mixer was purchased at Rs. 8,00,000. Assuming Scrap Value to be Rs. 5,50,000 after 10 years. Calculate the depreciation at the end of 5 years by : [6]

- i) Straight Line Method
- ii) Constant Percentage Method

- Q5)** a) Explain in detail “Need of Working Capital in Construction Industry”. [6]
- b) Explain in details various Financing Resources of Working Capital. [6]
- c) What are objectives of inventory management and explain Economic Order Quantity. [6]

OR

- Q6)** a) A construction company purchases 10000 bags of cement annually. Each bag cement cost Rs. 500 and cost incurred in procuring each lot is Rs. 150. The cost of carrying is 25%. What are the most EOQ and number of orders? If lead time is 5 days, calculate order point. [6]
- b) What is operating cycle? Explain various phases associated with it. [6]
- c) What is safety stock? Explain the types of cost associated and importance of Safety stock. [6]

- Q7)** a) What is Goods and Services Tax (GST). Also write down the impact of GST on construction industry. [6]
- b) Calculate the tax to be paid on property in Delhi, from following data : [6]

Covered area = 900 sq. ft.

Unit area value for one month = 6.0 per sq.ft.

Age factor = 1.0

Use factor = 1.2

Structure factor = 1.0

Occupancy factor = 1.0

Tax rate = 11%

- c) What is property tax? Explain Annual rental value system of calculation of property tax. [6]

OR

- Q8)** a) Write down the roles and functions of following financial regulatory bodies : [6]
- i) ICRA (Information and Credit Rating Agency)
- ii) SEBI (Security and Exchange Board of India).
- b) Explain "Capital Value System" for the calculation of property tax. [6]
- c) What is Direct Tax? Explain any four types of direct taxes which are imposed in India. [6]

