SEMESTER S3/S4

ECONOMICS FOR ENGINEERS

Course Code	UCHUT346	CIE Marks	50
Teaching Hours/Week (L: T:P: R)	2:0:0:0	ESE Marks	50
Credits	2	Exam Hours	2 Hrs. 30 Min.
Prerequisites (if any)	None	Course Type	Theory

Course Objectives:

1. To provide students with an understanding of fundamental economic principles essential for effective decision-making in engineering contexts.
2. To enable students to apply economic analysis to production decisions, cost management, and market strategies in engineering practice.
3. To equip students with the ability to evaluate macroeconomic scenarios, financial methods, and investment decisions relevant to engineering projects.

SYLLABUS

Module No.	Syllabus Description	Contact Hours
1	Basic economic problems – Production Possibility Curve – Utility – Law of diminishing marginal utility –Demand: Factors determining demand – Law of Demand – Demand curve- Price elasticity of demand- measurement of price elasticity and its applications – Supply: factors determining supply - Law of supply – Supply curve- Equilibrium price determination- Changes in demand and supply and its effects on equilibrium price and quantity Production: Production function - Law of variable proportion –Returns to scale- Cobb-Douglas Production Function	6
2	Cost: Cost concepts – Private cost and social cost – Sunk cost – Opportunity cost -Explicit and implicit cost –Short run cost curves –Long run average cost curve -Revenue concepts – Break-even point Market: Perfect Competition – Monopoly - Monopolistic Competition (features and equilibrium of a firm) - Oligopoly – Features – Kinked demand model	6

3	National income: Concepts (GDP, GNP and NNP)– Final goods and Intermediate goods - Methods of Estimation –output method – expenditure method-- Difficulties in the measurement of national income. Inflation: Causes and Effects – Measures to Control Inflation - Monetary and Fiscal policies – Repo and reverse repo rate	**6**
4	Value Analysis and value Engineering: Cost Value, Exchange Value, Use Value, Esteem Value - Aims, Advantages and Application areas of Value Engineering - Value Engineering Procedure Capital Budgeting: Time value of money - Net Present Value Method - Benefit Cost Ratio – Internal Rate of Return -– Payback – Accounting Rate of Return.	**6**

Course Assessment Method
(CIE: 50 marks, ESE: 50 marks)

Continuous Internal Evaluation Marks (CIE):

Attendance	Assignment/Case Study/ Microproject	Internal Examination-1 (Written)	Internal Examination- 2 (Written)	Total
10	**15**	**12.5**	**12.5**	**50**

End Semester Examination Marks (ESE)

In Part A, all questions need to be answered and in Part B, each student can choose any one full question out of two questions

Part A	Part B	Total
• Minimum 1 and Maximum 2 Questions from each module. • Total of 6 Questions, each carrying 3 marks (6x3 =18 marks)	2 questions will be given from each module, out of which 1 question should be answered. Each question can have a maximum of 2 sub divisions. Each question carries 8 marks. (4x8 = 32 marks)	**50**

Course Outcomes (COs)

At the end of the course students should be able to:

Course Outcome		Bloom's Knowledge Level (KL)
CO1	Understand the fundamentals of various economic issues using laws and learn the concepts of demand, supply, elasticity and production function.	**K2**
CO2	Develop decision making capability by applying concepts relating to costs and revenue, and acquire knowledge regarding the functioning of firms in different market situations.	**K3**
CO3	Outline the macroeconomic principles of monetary and fiscal systems and national income.	**K2**
CO4	Make use of the possibilities of value analysis and engineering, and take investment decisions through capital budgeting techniques.	**K3**

Note*: K1- Remember, K2- Understand, K3- Apply, K4- Analyse, K5- Evaluate, K6- Create*

CO-PO Mapping Table:

	PO1	PO2	PO3	PO4	PO5	PO6	PO7	PO8	PO9	PO10	PO11	PO12
CO1	-	-	-	-	-	1	-	-	-	-	1	-
CO2	-	-	-	-	-	1	1	-	-	-	1	-
CO3	-	-	-	-	1	-	-	-	-	-	2	-
CO4	-	-	-	-	1	1	-	-	-	-	2	-

Text Books				
Sl. No	**Title of the Book**	**Name of the Author/s**	**Name of the Publisher**	**Edition and Year**
1	Managerial Economics	Geetika, Piyali Ghosh and Chodhury	Tata McGraw Hill,	2015
2	Engineering Economy	H. G. Thuesen, W. J. Fabrycky	PHI	1966
3	Engineering Economics	R. Paneerselvam	PHI	2012
4	Financial Management	I M Pandey	Vikas Publishing House	2015

Reference Books				
Sl. No	**Title of the Book**	**Name of the Author/s**	**Name of the Publisher**	**Edition and Year**
1	Engineering Economy	Leland Blank P.E, Anthony Tarquin P. E.	Mc Graw Hill	7^{TH} Edition
2	Indian Financial System	Khan M. Y.	Tata McGraw Hill	2011
3	Engineering Economics and analysis	Donald G. Newman, Jerome P. Lavelle	Engg. Press, Texas	2002
4	Contemporary Engineering Economics	Chan S. Park	Prentice Hall of India Ltd	2001
5	Financial Management: Theory and Practice	Prasanna Chandra	Mc Graw Hill	2007

MODEL QUESTION PAPER

APJ ABDUL KALAM TECHNOLOGICAL UNIVERSITY

THIRD SEMESTER B. TECH DEGREE EXAMINATION, MONTH AND YEAR

Course Code: UCHUT346

Course Name: Economics for Engineers

Max. Marks: 50		Duration: 2 hours 30 minutes

PART A

		Answer all questions. Each question carries 3 marks	CO	Marks
1		What are the central problems of an economy?	CO1	(3)
2		Point out any three applications of price elasticity of demand.	CO1	(3)
3		What is the social cost of production?	CO2	(3)
4		What is repo rate?	CO3	(3)
5		What is esteem value?	CO4	(3)
6		Write a short note on time value of money.	CO4	(3)

PART B

Answer any one full question from each module. Each question carries 8 marks

Module 1

9	a)	Suppose a country is producing at a point inside the production possibility curve. Draw a PPC and examine this situation.	CO1	(5)
	b)	State the law of demand. Point out any two exceptions of this law.	CO1	(3)
10	a)	A consumer purchases 10 units of a commodity when its price is Rs.100. Later when its price falls to Rs.90, he purchases 8 units only. Estimate price elasticity. What type of a commodity is this?	CO1	(5)
	b)	State the law of variable proportion.	CO1	(3)

Module 2				
11	a)	What is oligopoly? Why price is rigid under oligopoly?	CO2	(5)
	b)	The cost function of a firm is given as $TC=1000+10Q-6Q^2+Q^{3..}$ Calculate fixed cost, variable cost and marginal cost when output is 10 units.	CO2	(3)
12	a)	Suppose a firm is earning super normal profit under monopolistic market condition. Explain this situation by drawing a diagram.	CO2	(5)
	b)	Suppose a firm sells its product at a price of Rs.10 per unit and its average variable cost is Rs.6. If the firm spend Ra.10000 as rent and pay Rs. 6000 as interest every month, estimate its break-even level of output.	CO2	(3)
Module 3				
13	a)	What is inflation? How does inflation affect investment and production.	CO3	(5)
	b)	How will you obtain NNPfc from GDPmp.	CO3	(3)
14	a)	From the data given below (In Rs. Crores) estimate GDPmp and national income. Private final consumption expenditure = 1000, Government expenditure = 500, Invest expenditure = 700, Net exports = 300, Depreciation = 200, NFIA=(-200) and Net indirect tax = 100	CO3	(5)
	b)	What is bank rate? Examine the bank rate policy of the government during inflation.	CO3	(3)
Module 4				
15	a)	Examine the procedures of value engineering.	CO4	(5)
	b)	Examine the application areas of value engineering	CO4	(3)

16	a)	1. Suppose the initial investment of a project is Rs. 3000 (Crores) and the cost of capital or the opportunity cost of capital is 10 percent. Calculate NPV of the project based on the cash flows given below. Year 1 2 3 4 5 Cash flow 1000 900 800 700 600 (In Crores)	CO4	(5)
	b)	Point out any three merits of NPV method.	CO4	(3)
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