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AR-19

MCA

MCA 1ST SEMESTER REGULAR EXAMINATIONS, NOV/DEC 2019-20

MCA104

ENGINEERING ECONOMICS AND FINANCIAL ACCOUNTING

Time: 3 Hours

Max Marks: 70

The figures in the right hand margin indicate marks.

PART- A

Q.1 Answer all of the following:

[10 X2 =20]

- a Define IRR.
- b Define Salvage Value.
- c What is a first cost?
- d $(P/A, I, \infty) = ?$
- e Define interest?
- f What do you mean by a Cost?
- g What is Annuity?
- h What is B/C ratio?
- i What is Cash flow?
- j Write the formula to compound interest.

PART-B

[Answer any five out of seven question][10 X 5=50]

2.

(a) Suggest the best asset by using PW Method by assuming an interest rate of 5% compounded annually.

	A	B
First Cost	55000	75000
AR	39000	57000
AC	15000	29000
SV	20000	30000
Life	2yrs	3yrs

(b) What is revenue dominated cash flow and draw its diagram?

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(a) Suggest the best asset by using IRR Method

	A	B
First Cost	2, 10,000	2, 55,000
AR	60,260	71000
Life	5yrs	5yrs

(b) Describe the process of finding IRR.

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(a) An asset is purchased by 25000; it has a life of 5 years and a salvage value of 75000 then find depreciation amount and Book value of all the years by using Written down Value Method.

(b) What is depreciation? Explain methods of calculation.

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(a). An asset is purchased by Rs. 50000, with a salvage value of 25000 on 5 year. Find Depreciation



and book value of all the years by Declining balance method. Will you agree to sell the same asset by 35000 on 2nd year? Why?

(b) What are types interest rates?

6

(a). How future worth method is different than present worth, explain with an example.

(b) What do you mean by project evaluation? Brief the methods of evaluation.

7

(a). How B/C method is better than others?

(b). Explain the steps to calculate after tax cash flow.

8

(a). Write a short note on types of cash flow diagram.

(b) Write a short note on cost sheet.