

ENGINEERING ECONOMICS AND COSTING

Module I (12 hours)

Engineering Economics - Nature and scope, General concepts on micro & macro economics. The Theory of demand, Demand function, Law of demand and its exceptions, Elasticity of demand, Law of supply and elasticity of supply. Determination of equilibrium price under perfect competition (Simple numerical problems to be solved). Theory of production, Law of variable proportion, Law of returns to scale.

Module II (12 hours)

Time value of money - Simple and compound interest, Cash flow diagram, Principle of economic equivalence. Evaluation of engineering projects - Present worth method, Future worth method, Annual worth method, internal rate of return method, Cost-benefit analysis in public projects. Depreciation policy, Depreciation of capital assets, Causes of depreciation, Straight line method and declining balance method.

Module III (12 hours)

Cost concepts, Elements of costs, Preparation of cost sheet, Segregation of costs into fixed and variable costs. Break-even analysis-Linear approach. (Simple numerical problems to be solved)

Banking: Meaning and functions of commercial banks; functions of Reserve Bank of India. Overview of Indian Financial system.

Text and Reference Books:

1. Riggs, Bedworth and Randhwa, "Engineering Economics", McGraw Hill Education India.
2. D.M. Mithani, Principles of Economics. Himalaya Publishing House
3. Sasmita Mishra, "Engineering Economics & Costing ", PHI
4. Sullivan and Wicks, " Engineering Economy", Pearson
5. R.Paneer Seelvan, " Engineering Economics", PHI
6. V. Mote, S. Paul, G. Gupta, " Managerial Economics", TMH
7. Lal and Srivastav, "Cost Accounting", TMH