

FHMF409	Economics	3-0-0	3
----------------	------------------	--------------	----------

Module-I: (10 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: (10 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, Costbenefit analysis in public projects. Depreciation policy, Depreciation of capital assets, Causes of depreciation, Straight line method and declining balance method.

Module-III: (10 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.

Essential readings:

1. Riggs, Bedworth and Randhwa, "Engineering Economics", McGraw Hill Education India.
2. M.D. Mithani, Principles of Economics.
3. Sasmita Mishra, "Engineering Economics & Costing ", PHI
4. Sullivan and Wicks, " Engineering Economy", Pearson
5. R.PaneerSeelvan, " Engineering Economics", PHI
6. Gupta, " Managerial Economics", TMH 5. Lal and Srivastav, " Cost Accounting", TMH