



# SEMBODAI RUKMANI VARATHARAJAN ENGINEERING COLLEGE

SEMBODAI - 614809  
DEPARTMENT OF CIVIL ENGINEERING

## SYLLABUS

Sub.Code: CE2451

Year / Sem: IV / VIII

Sub.Name: ENGINEERING ECONOMICS AND COST ANALYSIS

Batch: 2012-2016

Staff Name: Mr. M. ANBARASAN, B.E.,

Academic Year : 2015-16 (Even)

### OBJECTIVES:

#### The student should be made to:

- Know about the basic law of economics,
- how to organise a business
- the financial aspects related to business
- Different methods of appraisal of projects and pricing techniques.

### UNIT-I: BASIC ECONOMICS

7

Definition of economics - nature and scope of economic science - nature and scope of Managerial economics - basic terms and concepts - goods - utility - value - wealth - factors of Production - land - its peculiarities - labour - economies of large and small scale - consumption - Wants - its characteristics and classification - law of diminishing marginal utility - relation Between economic decision and technical decision.

### UNIT-II: DEMAND AND SCHEDULE

8

Demand - demand schedule - demand curve - law of demand - elasticity of demand - types of elasticity - factors determining elasticity - measurement - its significance - supply - supply schedule - supply curve - law of supply - elasticity of supply - time element in the determination of value - market price and normal price - perfect competition - monopoly - monopolistic competition.

### UNIT-III: ORGANISATION

8

Forms of business - proprietorship - partnership - joint stock company - cooperative organisation - state enterprise - mixed economy - money and banking - banking - kinds - commercial banks - central banking functions - control of credit - monetary policy - credit instrument.

### UNIT-IV: FINANCING

9

Types of financing - Short term borrowing - Long term borrowing - Internal generation of funds - External commercial borrowings - Assistance from government budgeting support and international finance corporations - analysis of financial statement - Balance Sheet - Profit and Loss account - Funds flow statement.

## UNIT-V: COST AND BREAK EVEN ANALYSES

13

Types of costing – traditional costing approach - activity base costing - Fixed Cost – variable cost – marginal cost – cost output relationship in the short run and in long run – pricing practice – full cost pricing – marginal cost pricing – going rate pricing – bid pricing – pricing for a rate of return – appraising project profitability – internal rate of return – pay back period – net present value – cost benefit analysis – feasibility reports – appraisal process – technical feasibility economic feasibility – financial feasibility. Break even analysis - basic assumptions – breakeven chart – managerial uses of break even analysis.

**Total: 45**

### TEXT BOOKS:

1. Dewett K.K. & Varma J.D., Elementary Economic Theory, S Chand & Co., 2006
2. Sharma JC “Construction Management and Accounts” Satya Prakashan, New Delhi.

### REFERENCES:

1. Barthwal R.R., Industrial Economics - An Introductory Text Book, New Age
2. Jhingan M.L., Micro Economic Theory, Konark
3. Samuelson P.A., Economics - An Introductory Analysis, McGraw-Hill
4. Adhikary M., Managerial Economics
5. Khan MY and Jain PK “Financial Management” McGraw-Hill Publishing Co., Ltd
6. Varshney RL and Maheshwary KL “ Managerial Economics” S Chand and Co

### OUTCOMES: At the end of the course, the student should be able to:

- how to start a construction business
- how to get finances
- how to account
- How to price and bid and how to assess the health of a project.

**STAFF INCHARGE**

**CLASS IN CHARGE**

**HOD**

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