

SCHOOL OF PLANNING AND ARCHITECTURE, VIJAYAWADA
SEMESTER END EXAMINATIONS (SUPPLEMENTARY) DECEMBER - 2016

B. ARCH IV YEAR VII SEMESTER
BUILDING MANAGEMENT (BM-7)
(BUILDING ECONOMICS)

Maximum Marks – 60

Time – 2 ½ Hours

- a) Answer any Two questions out of 1 to 4 questions.*
b) Question No.5 is compulsory and answer any four out of six sub-questions.
c) Calculator can be used.

- Q1. a) Explain the differences between financial assets and capital assets with suitable examples. (10+10)
b) What do you understand by Monetary policy and Fiscal policy? Give suitable examples.
- Q2. Discuss the pros and cons of public private partnership in project economics. Give a suitable example. (20M)
- Q3. For the following demand and supply schedule of concrete hollow blocks in the market, (10+10)
- a) Plot the supply and demand curve, determining the equilibrium quantity and price.
b) Discuss the scenario of surplus demand and surplus supply and as to how equilibrium is attained.(discuss through graphs/curves)

Price (In Rs.)	Quantity demanded (number)	Quantity supplied (number)
40	400	220
60	340	260
75	290	290
84	250	310
96	220	320
108	200	335

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- Q4. ZED Pvt.ltd has three potential projects all with an initial cost of Rs.2,00,000. The capital budget for the year will only allow ZED Pvt.ltd to accept one of the three projects. Given the discount rate as 10% and cash flows as below, Which project should they accept? (10+10)

Cash flows	Project A	Project B	Project C
C ₁	50,000	60,000	1,00,000
C ₂	50,000	60,000	80,000
C ₃	50,000	75,000	60,000
C ₄	50,000	80,000	40,000
C ₅	50,000	80,000	20,000

- Q5. Write short notes on any FOUR of the following:

(4x5=
20M)

- If you deposit Rs.20, 000 with an investment company which pays 12% interest, how much will this deposit grow in 5 years?
- Define opportunity cost. Give two examples.
- Law of diminishing marginal utility (Give example)
- Define
 - Net Realizable Value
 - Recoverable Amount
- Oligopoly (with a suitable example)
- Difference between nominal interest rates and real interest rates?
