

COURSECODE 1154ME108	ENGINEERING ECONOMICS AND FINANCIAL ACCOUNTING	L	T	P	C
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1. Preamble

This course makes an attempt to bring students in direct contact with the principles of engineering economics and financial management.

2. Pre requisite

NIL

3. Links to other courses:

Operation Planning & Control

4. Course Educational Objectives

Students undergoing this course are expected to

- Be familiar WITH the concepts of engineering economics, its impact in the very engineering principles and the issues related to financial management

5. Course Outcomes

The students would be benefitted with the following outcomes. They will be enable to

CO Nos.	Course Outcomes	Level of learning domain (Based on revised Bloom's)
CO1	Understand the basics of engineering economics and financial accounting	K2
CO2	Identify the issues underlying the supply and demand issues	K3
CO3	Calculate the production and cost analysis	K3
CO4	Understand the concepts of financial accounting	K2
CO5	Understand the concepts of capital budget accounting	K3

(K3 – APPLY)

6. Correlation of COs with Programme Outcomes

Cos	PO1	PO2	PO3	PO4	PO5	PO6	PO7	PO8	PO9	PO10	PO11	PO12	PSO1	PSO2
CO1	M										M	L	L	
CO2	M										M	L	L	
CO3	M										M	L	L	
CO4	M										M	L	L	
CO5	M										M	L	L	

H- High; M-Medium; L-Low

7. Course Content

UNIT I INTRODUCTION **L -9**

Managerial Economics - Relationship with other disciplines - Firms: Types, objectives and goals - Managerial decisions - Decision analysis.

UNIT II DEMAND & SUPPLY ANALYSIS **L-9**

Demand - Types of demand - Determinants of demand - Demand function – Demand elasticity - Demand forecasting - Supply - Determinants of supply - Supply function - Supply elasticity.

UNIT III PRODUCTION AND COST ANALYSIS **L-9**

Production function - Returns to scale - Production optimization - Least cost input - Isoquants - managerial uses of production function.

Cost Concepts - Cost function - Determinants of cost - Short run and Long run cost curves - Cost Output Decision - Estimation of Cost, Determinants of Price - Pricing under different objectives and different market structures - Price discrimination - Pricing methods in practice.

UNIT IV FINANCIAL ACCOUNTING (ELEMENTARY TREATMENT) **L-9**

Balance sheet and related concepts - Profit & Loss Statement and related concepts - Financial Ratio Analysis - Cash flow analysis - Funds flow analysis – Comparative financial statements - Analysis & Interpretation of financial statements.

UNIT V CAPITAL BUDGETING (ELEMENTARY TREATMENT) **L-9**

Investments - Risks and return evaluation of investment decision - Average rate of return - Payback Period - Net Present Value - Internal rate of return.

Total: 45 Periods

8. Text Books

1. Samuelson. Paul A and Nordhaus W.D., 'Economics', Tata Mcgraw Hill Publishing Company
2. Limited, New Delhi, 2004.
3. McGuigan, Moyer and Harris, 'Managerial Economics; Applications, Strategy and Tactics',
4. Thomson South Western, 10th Edition, 2005.

9. References

1. Paresh Shah, 'Basic Financial Accounting for Management', Oxford University Press, New Delhi, 2007.
2. Salvatore Dominick, 'Managerial Economics in a global economy'. Thomson South Western, 4th Edition, 2001.
3. Prasanna Chandra. 'Fundamentals of Financial Management', Tata Mcgraw Hill Publishing Ltd., 4th edition, 2005.