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ISRA UNIVERSITY

Islamabad Campus

Department of Electrical Engineering
Program: B.E. (Electrical)
Semester - Fall 2015

HS-321 Engineering Economics & Management

Assignment – 2   **Due Date: 18/04/2016**
Marks: 10   **Handout Date: 11/04/2016**

Question # 1:

My microwave has developed a fault, I have two options, get it repaired or buy new one.

- The price of new one is Rs. 40,000
- There is 60% chance that its major fault.
- If it is minor fault repair will cost Rs. 14000
- If its major fault there is 50 50 chance that it will cost Rs. 32000 Or Rs. 26000.

Calculate which is option is economical repair or buying a new one.

Good Luck