

Paper Pattern
Engineering Economics & Management

Objective Paper **50 marks**

50 MCQs questions

Subjective Paper **50 marks**

Question 1 **15 marks**

Case study Income statements and balance sheets. (Lecture 16).

Question 2 **10 marks**

Cash Flow statement. (Lecture 14).

Question 3 **10 marks**

Appraisal techniques NPV. (Lecture 15)

Question 4 **8 marks**

Trend Analysis. (Lecture 19)

Question 5 **7 marks**

Weighted Average Cost of Capital. (Lecture 12)

*****Note*****

Formulas for Question 1 will be attached with the paper and given for reference in this document.

FORMULAS

$$\text{Gross Profit Margin} = \frac{\text{Gross profit}}{\text{Sales revenue}} \times 100\%$$

$$\text{Operating Profit Margin} = \frac{\text{EBIT}}{\text{Sales revenue}} \times 100\%$$

$$\text{Net Profit Margin} = \frac{\text{EAT}}{\text{Sales revenue}} \times 100\%$$

$$\text{Retained Earnings} = \text{EAT} - \text{Dividends}$$

$$\text{Financial Structure} = \frac{\text{Invested capital}}{\text{Owners Equity}}$$

$$\text{Capital Structure} = \frac{\text{Owners Equity}}{\text{Long term liabilities}}$$

$$\text{Asset Structure} = \frac{\text{Fixed assets}}{\text{Current assets}}$$

$$\text{Inventory Holding Period} = \frac{\text{Inventories}}{\text{COS}} \times 365$$

$$\text{Collection Period} = \frac{\text{Accounts receivable}}{\text{Sales revenue}} \times 365$$

$$\text{Payment Period} = \frac{\text{Accounts payable}}{\text{COS}} \times 365$$

$$\text{Operating Cycle} =$$

$$\text{Inventory Holding Period} + \text{Collection Period} - \text{Payment Period}$$