

JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD

IV B.Tech. II Sem., II Mid-Term Examinations, April-2014

PLANT DESIGN AND ECONOMICS

Objective Exam

Name: _____ Hall Ticket No.

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Answer All Questions. All Questions Carry Equal Marks. Time: 20 Min. Marks: 10.**I. Choose the correct alternative:**

1. Which of the following methods results in book values greater than those obtained with the straight-line method? []
 A) Declining-balance method B) Sum-of the years digits method
 C) Sinking-fund method D) Multiple straight-line method
2. If the interest rate is expressed on the regular yearly basis and d represents the number of days in an interest period, the amount of exact simple interest for principle amount 'P' is []
 A) Pid B) $Pid/360$ C) $Pid/365$ D) $P id/36$
3. The effective annual interest rate i_{eff} is expressed in terms of the nominal interest rate r compounded continuously as []
 A) $i_{eff} = \ln(r+1)$ B) $i_{eff} = e^r - 1$ C) $i_{eff} = \ln r - 1$ D) $i_{eff} = e^r$
4. Average net profit is []
 A) Gross Profit – Income Tax B) Gross Profit - Excise Tax
 C) Gross Profit + Income Tax D) Gross Profit +Excise Tax
5. The difference between the present value of annual cash flow and initial investment is []
 A) Salvage value B) Scrap value C) Net Present Value D) Book Value
6. The original cost of equipment plus present value of the renewable property is called as []
 A) Manufacturing Cost B) Productive Cost C) Capitalized Cost D) Original Cost
7. Identify the profitability technique from the following []
 A) St. line method B) Double declining balance method
 C) Declaining balance D) Discounted cash flow method
8. “ Production is delivered continuously while the unit is in operation but the rate delivery decreases with time “this statement is valid for []
 A) Cyclic Operation B)Batch Operation C)Semi Continuous Cyclic Operations D)None
9. Production rate depends on []
 A) Load placed on the equipment B) Sales market available C) Both A & B D) None
10. For a nominal interest rate of 20% compounded continuously, the effective annual interest rate will be []
 A) Equal to 20% B) More than 20% C) Less than 20% D) Equal to or less than 20

Cont.....2

II Fill in the Blanks:

11. A _____ tax is levied on profits made from the sale of capital assets, such as land, buildings, or equipment.
12. _____ taxes are levied by Federal and State governments.
13. Production rate depends on _____ and _____.
14. The price which could be obtained for an asset if it were placed on sale in the open market is designated as the _____ value
15. Vs stands for _____ value
16. Capacity loss due to materials actually consumed is measured as _____
17. One common type of functional depreciation is _____
18. Local governments usually have jurisdiction over _____ taxes, which are commonly charged on a country basis.
19. The total product per unit of time divided into how many classifications _____
20. The rate of return on total capital investment is calculated on the average _____ profit

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Code No: 58046

Set No. 3

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