

**GUJARAT TECHNOLOGICAL UNIVERSITY****ME – SEMESTER – III (New)– EXAMINATION – WINTER-2019****Subject Code: 3730008****Date: 14-11-2019****Subject Name: Cost Management of Engineering Projects****Time: 02:30 PM TO 05:00 PM****Total Marks: 70****Instructions:**

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

- Q.1 (a)** Explain the following terms **07**
- a. Relevant cost
  - b. Differential cost
  - c. Incremental cost
  - d. Opportunity cost
- (b)** Explain Strategic Cost Management. **07**
- Q.2 (a)** Explain the following terms: **07**
- a. Marginal costing
  - b. Absorption costing
- (b)** Explain cost concepts in decision making. **07**
- OR**
- (b)** “Marginal Costing is a valuable technique to the management” critically evaluate the marginal costing. **07**
- Q.3 (a)** Explain Break-even analysis in detail. **07**
- (b)** What is project commissioning? Explain various stages of project execution. **07**
- OR**
- Q.3 (a)** Explain Cost-Volume-Profit analysis. **07**
- (b)** Explain Just-in-time approach in detail. **07**
- Q.4 (a)** What is Budgetary control? Explain various types of budgets. **07**
- (b)** What is Total Quality Management? Explain theory of constraints. **07**
- OR**
- Q.4 (a)** Explain the methods to solve Assignment model. **07**
- (b)** Explain quantitative techniques for cost management. **07**
- Q.5 (a)** Consider the transportation problem shown in table below. Find the initial basic feasible solution using Northwest corner method. **07**

		1	2	3	4	5	Supply
Plant	1	20	4	32	28	20	3000
	2	12	36	24	26	32	5000
	3	16	8	28	24	20	8250
	4	28	44	40	16	36	3750
Demand		3500	4000	2500	1500	4000	

- (b)** Find the optimal solution of the following Transportation Problem using MODI method. Use VAM to find IBFS. **07**

		M1	M2	M3	M4	Supply
F1	3	2	4	1	20	
F2	2	4	5	3	15	
F3	3	5	2	6	25	
F4	4	3	1	4	40	
Demand	30	20	25	25		

OR

Q.5 (a) Distinguish between CPM and PERT.

07

(b) Determine the Critical path for given activities and find out floats:

07

Activity	Duration	Activity	Duration	Activity	Duration
1-2	10	2-6	3	5-7	7
1-3	6	3-8	12	6-7	15
1-4	7	4-6	9	7-9	4
2-5	3	4-8	8	8-9	6

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