



NPTEL

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[Courses](#) » [Engineering Economic Analysis](#)[Announcements](#)[Course](#)[Ask a Question](#)[Progress](#)

Unit 7 - UNIT-6 (Week 6)

Course outline

[How to access the portal](#)[Unit-1 \(Week 1\)](#)[UNIT-2 \(Week 2\)](#)[UNIT-3 \(Week 3\)](#)[UNIT-4 \(Week 4\)](#)[UNIT-5 \(Week 5\)](#)[UNIT-6 \(Week 6\)](#)

☐ Lecture-1: Problem Solving Based on Depreciation and Depletion

☐ Lecture-2: Elements of Cost: Types of Cost

☐ Lecture-3: Breakeven Analysis, Effect of Fixed and Variable Cost on BEP

☐ Lecture-4: Economic Order Quantity

☐ Lecture-5: Problem Solving Based on Breakeven Analysis and EOQ

☐ Quiz : Assignment 6

☐ Solutions of Assignment 6

[UNIT-7 \(Week 7\)](#)[UNIT-8 \(Week 8\)](#)

Assignment 6

The due date for submitting this assignment has passed. **Due on 2018-03-21, 23:59 IST**
As per our records you have not submitted this assignment.

Type of cost which is not relevant to decision making in future is

1 point

- ☐ Sunk cost
- ☐ Opportunity cost
- ☐ Maintenance cost
- ☐ Operating cost

No, the answer is incorrect.

Score: 0

Accepted Answers:

Sunk cost

With increase in fixed cost (for constant value of income per unit sold and variable cost per unit), breakeven quantity

1 point

- ☐ Increases
- ☐ Decreases
- ☐ Remains constant
- ☐ Can't be said

No, the answer is incorrect.

Score: 0

Accepted Answers:

Increases

The cost which varies with level of volume of output is

1 point

- ☐ Sunk cost
- ☐ Variable cost

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☐

Fixed cost

☐

Marginal cost

No, the answer is incorrect.

Score: 0

Accepted Answers:

Variable cost

Cost which is defined as benefit obtained by following other courses of action is

1 point

☐

Sunk cost

☐

Opportunity cost

☐

Marginal cost

☐

Differential cost

No, the answer is incorrect.

Score: 0

Accepted Answers:

Opportunity cost

Total input cost divided by level of output is

1 point

☐

Average unit cost

☐

Fixed cost

☐

Variable cost per unit

☐

Differential cost

No, the answer is incorrect.

Score: 0

Accepted Answers:

Average unit cost

6) The annual production capacity of a Plant is 65,000 units. The annual fixed cost of Plant is Rs 26,00,000 per year and the variable cost is Rs 32 per unit. If Plant A is being operated at 35% of capacity, the average unit cost of product is

1 point

☐

Rs 172.80

☐

Rs 146.28

☐

Rs 228.72

☐

Rs 104.32

No, the answer is incorrect.

Score: 0



Accepted Answers:*Rs 146.28*

7) For Questions 7-8:

1 point

A publishing company estimates that 13,000 books will be sold per year with total fixed cost of production as Rs 7,01,250. The average cost of materials and the direct labour cost are Rs 325 and Rs 102.50 per book, respectively. The company sells the book for Rs 510.

The annual profit /loss will be

- ☐ Loss of Rs 371250
- ☐ Profit of Rs 371250
- ☐ Profit of Rs 445320
- ☐ Loss of Rs 445320

No, the answer is incorrect.**Score: 0****Accepted Answers:***Profit of Rs 371250*

The break-even level (in terms of number of books produced) will be

1 point

- ☐ 8000
- ☐ 8500
- ☐ 7800
- ☐ 7000

No, the answer is incorrect.**Score: 0****Accepted Answers:***8500*

A plant has capacity to produce 4100 pumps per month. Fixed cost is Rupees 504000 per month and variable cost per pump is Rupees 166. Sales price is Rupees 328 per pump. Assuming that sales equal output volume, breakeven quantity per month will be Rupees

1 point

- ☐ 3000
- ☐ 3111
- ☐ 3231
- ☐ 3562

No, the answer is incorrect.

Score: 0

Accepted Answers:

3111

10. A plant operation has fixed cost of Rs 2000000 per year and its output capacity is 100000 electrical appliances per year. The variable cost is Rs 40 per unit and the product sells for Rs 90 per unit. The breakeven quantity will be **1 point**

- ☐ 36000
- ☐ 40000
- ☐ 45000
- ☐ 30000

No, the answer is incorrect.

Score: 0

Accepted Answers:

40000



Previous Page

End

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