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Engineering Economics MCQ Test

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Below is the **Engineering Economics MCQ** test that checks your basic knowledge of Engineering Economics. This **Engineering Economics MCQ Test** contains 20 Multiple Choice Questions. You have to select the right answer to the question. finally, apart from this, you can also download **Engineering Economics Mcq Pdf** completely free.

Q1. What is called the ratio obtained by dividing 'quick assets' by current liabilities?

- **A. Acid test ratio**
- B. Turnover ratio
- C. Solvency ratio
- D. None of the above

Q2. Which of the following option is included in the financial ratios of the firm?

- A. Liquidity ratio
- B. Turnover ratio
- C. Profitability ratio
- **D. All of the above**

Q3. What do the sunk costs include?

- A. A past expenditure
- B. An unrecoverd balance
- C. An invested capital that cannot be retrieved
- **D. All of the above**

Q4. By which of the following can the more important test of the firm's liquidity be judged?

- A. Debts ratio
- B. Current ratio
- C. Liquidity ratio
- **D. Quick Ratio**

Q5. What is the other name of Present worth Annuity (PWA)?

- A. Future annuities
- B. Income annuities
- C. Premium annuities
- **D. All of the Above**

Q6. What is the interest factor, if P is the principal amount, i is the rate of interest and n is the number of periods in years?

- A. ni
- B. $(ni - 1)$
- **C. $(1 + ni)$**
- D. None of the above

Q7. What is the key to profitable operation for project cost control?

- A. To keep the project cost equal to original cost estimate.
- B. To keep the project cost equal to subsequent construction budget.
- **C. To keep the project cost within the cost budget and knowing when and where job costs are deviating.**
- D. All of the above

Q8. The declining balance method is also known as -

- A. Modified SYD method
- B. Double percentage method
- **C. Constant percentage method**
- D. Modified sinking fund method

Q9. Which of the following refers to the amount of a product made available for sale?

- A. Good

- **B. Supply**
- C. Demand
- D. Product

Q10. The capitalized cost of any structure or property is computed by

- A. First cost + salvage value
- B. First cost + interest of first cost
- C. Annual cost – interest of first cost
- **D. First cost + cost of perpetual maintenance**

Q11. Which of the following is known as an accounting term that represents an inventory account adjustment?

- A. Standard cost
- B. Overhead cost
- **C. Cost accounting**
- D. Cost of goods sold

Q12. In which book is the original record of a business transaction recorded?

- A. Ledger
- **B. Journal**
- C. Work book
- D. Account book

Q13. Which of the following refers to the present worth of cost associated with an asset for an infinite period of time?

- A. Annual cost
- B. Increment cost
- C. Operating cost
- **D. Capitalized cost**

Q14. Which of the following is the simplest form of business organization?

- A. Enterprise
- B. Corporation
- C. Partnership

- **D. Sole proprietorship**

Q15. refers to the negotiable claim issued by a bank in lien of a term deposit.

- A. Bond
- B. Time deposit
- **C. Certificate of deposit**
- D. Capital gain certificate

Q16. Which of the following is used to record historical financial transactions?

- A. Ledger system
- B. Balance check
- **C. Bookkeeping system**
- D. General journal system

Q17.is an example of intangible asset.

- A. Cash
- **B. Patents**
- C. Furniture
- D. Investment in subsidiary companies

Q18. What is called the process of determining the value or worth of physical property for specific reasons?

- **A. Valuation**
- B. Investment
- C. Economy
- D. Depletion

Q19. Which of the following type of bond can be redeemed before the maturity date?

- **A. Callable bond**
- B. Preferred bond
- C. Registered bond
- D. Incorporators bond

Q20. Which of the following represents the first cost in computing depreciation of equipment?

- A. Installation expenses
- B. Initial taxes and permit fees
- C. The original purchase price and freight charges
- **D. All of the above**

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