**SIMON BOLIYEH DION**

**17/ENG03/051**

**CVE 384: ENGINEERING LAW AND MANAGERIAL ECONOMICS**

**SHORT TEST:**

Engineering Economics is a subject of vital importance to Engineers. This subject helps one understand the need for the knowledge of Economics for being an effective manager and decision maker. The Economics theories are used to take decisions related to uncertain and changing business environment. Economics theories deal with the principles of demand, pricing, cost, production, competition, trade cycles, and national income and so on.

As the design and manufacturing process become more complex, the engineer is making decisions that involve money more than ever before. The competent and successful engineer at present must have an improved understanding of the principles of economics. The engineering economics is concerned the systematic evaluation of the benefits and costs of projects involving engineering design and analysis.

Engineering economics quantifies the benefits and costs associating with engineering projects to determine if they save enough money to warrant their capital investments. Engineering economics requires the application of engineering design and analysis principles to provide goods and services that satisfy the consumer at an affordable cost. Engineering economics is also relevant to the design engineer who considers material selection.

Engineers are planners and builders. They are also problem solvers, managers and decision makers. They have accorded least attention to the human and physical resources that have provided the final products. Many factors have contributed to an expansion of engineering responsibilities and concerns. Apart from the conventional work, now engineers are expected not only to create novel technological solutions but also to make skillful financial analysis of the effects of implementation.