

Chemical Engineering Plant Economics MCQ Questions & Answers Pdf

Question: 1

In which of the electric power generation system, the operating cost is minimum?

- (A) fast breeder reactor
- (B) hydroelectric
- (C) nuclear
- (D) thermal

Ans: B

hydroelectric

Question: 2

Gantt chart (or Bar chart) is helpful in

- (A) inventory control
- (B) efficient dispatching of products
- (C) preparing production schedule
- (D) efficient utilisation of manpower and machines

Ans: C

preparing production schedule

Question: 3

Sensitivity analysis is carried out for risk assessment. Which of the following is a macro factor for sensitivity analysis?

- (A) change in tax rates
- (B) changes of firms of finance

(C) change in capital structure

(D) change in project duration

Ans: A

change in tax rates

Question: 4

Costs associated with the design, planning, installation and commissioning of a project are

(A) salvage value

(B) variable costs

(C) capital costs

(D) project costs

Ans: C

capital costs

Question: 5

Effective and nominal interest rates are equal, when the interest is compounded

(A) monthly

(B) annually

(C) half yearly

(D) fortnightly

Ans: B

annually

Question: 6

For a typical project, the cumulative cash flow is zero at the

- (A) start up
- (B) end of the design stage
- (C) end of the project life
- (D) break even point

Ans: D

break even point

Question: 7

Which of the following is not a component of working capital?

- (A) semi-finished products in the process
- (B) transportation facilities
- (C) raw materials in stock
- (D) finished products in stock

Ans: A

semi-finished products in the process

Question: 8

Return on investment (ROI) means

- (A) annual cost/cost of capital
- (B) cost of capital/annual cost
- (C) initial investment/annual return
- (D) annual net cash flow/capital cost

Ans: D

annual net cash flow/capital cost

Question: 9

Effluent treatment cost in a chemical plant is categorised as the ____ cost.

(A) capital

(B) utilites

(C) overhead

(D) fixed

Ans: B

utilites

Question: 10

Which of the following is the costliest material of construction used in pressure vessel construction?

(A) high alloy steel

(B) titanium

(C) low alloy steel

(D) lead

Ans: B

titanium

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