## KING SAUD UNIVERSITY

College of Engineering
GE 403: Engineering Economy (Second Semester 1434-1435H, 2013-2014G)
INSTRUCTORS: Prof. A. Al-Suhaibani, Prof. T. Al-Refeai, Prof. M. Zahw, Dr. W. Alsaigh and Dr. H. Helmy
TEXT: White, Case, and Pratt, "Principles of Engineering Economic Analysis," $5^{\text {th }}$ Edition.

| Chapter | Topies | Homework |
| :---: | :---: | :---: |
| 1 | Introduction to Engineering Economic Analysis: Principles of Engineering Economic Analysis, Economic Analysis Techniques. Sections 1-2 $\rightarrow$ 1-4 | 8, 9, 10 |
| 2 | Time Value Of Money: Cash Flow Diagrams, Simple Interest Calculations, Compound Interest Calculations, Multiple Compounding Periods in a year and Continuous Compound Interest Calculations. Sections: 2-1 $\rightarrow 2-6,2-A$. | $6,8,9,13,15,16$, $24,32,56,90,98$, $130,156,164$, 172. |
| 3 | Equivalence and Indiffrence . Section 3-7, 3-9 | $\begin{aligned} & 40,41,42,43,44 \\ & 45,58,60 \end{aligned}$ |
| 4 | Comparison of Alternatives:, Choosing Planning Horizons, Sections: 4-1, 4-2 | 4, 5, 6 |
| 5 | Measure of Worth: <br> Present Worth Analysis: Single Alternative, Multiple Alternatives, One shot investiment, Sections: 5-3, 5-4, 5-5 <br> Payback Period: Single Alternative, Multiple Alternatives, Section: 5-6 Capitalized Worth: Single Alternative, Multiple Alternatives, Sections: 5-8, 5-9 | $\begin{aligned} & \text { CH5: } 9,10,12, \\ & 13,25,27,61,62, \\ & 65,66,72,74 \end{aligned}$ |
| 6 | Fut ur Worth Analysis: Single Alternative, Multiple Alternatives, One shot investiment, Sections: 6-2, 6-3, 6-5 | CH6: 4, 7, 9, 18, |
| 7 | Annual Worth Analysis: Single Alternative, Multiple Alternatives, Least Common Multiple of Lives Assumption, Sections: 7-2, 7-3, 7-4 Capital Recovery Cost: Section 7-6 | $\begin{aligned} & 31,32,36,67,68 \\ & \mathbf{C H} 7: 4,5,8,23 \end{aligned}$ |
| 8 | Internal Rate of Return: Single Alternative, Multiple Alternatives, Sections: 8-2, 8-3 <br> External Rate of Return: Single Alternative, Multiple Alternatives, Sections: 8-4, 8-5 <br> Analizing Alternatives With no Positive Cash Flow : Section 8-6 | $\begin{aligned} & 24,25,28,51,53, \\ & 60,61,63 \\ & \text { CH8: } 3,5,8,15, \\ & 34,51,53,54,65, \\ & 68,70 \end{aligned}$ |
| 9 | Depreciation. Sections: 9.1, 9.3, 9.4, 9.5, 9.A | 9,10,11,12,13,14 |
| 11 | Replacement Analysis: Sections 11-1, 11-2, 11-2-1, 11-3, 11-3-1 | 4, 5, 7 |
| 14 | Economic Analysis of Public Projects. Sections: 14-1 to 14-8 | 6,8, 9, 13, 15 |
| 16 | Cost Terminology: Life Cycle Viewpoint, Past/Future Viewpoint, Manufacturing Cost Structure Viewpoint, Fixed/Variable Viewpoint and Average/Marginal Viewpoint.Section 16-2 | 3, 4, 6, 10, 12 |

## Grade Distribution

Quizzes
$1^{\text {st }}$ Midterm (6:30-8:00 PM)
$2^{\text {nd }}$ Midterm (7.00-8:30 PM)
Final Exam
$10 \%$ of final grade $\mathbf{2 5 \%}$ of final grade 25\% of final grade $40 \%$ of final grade

