

Code No: **RT41261****R13****Set No. 1****IV B.Tech I Semester Supplementary Examinations, February/March - 2018****MINE ECONOMICS****(Mining Engineering)****Time: 3 hours****Max. Marks: 70***Question paper consists of Part-A and Part-B**Answer ALL sub questions from Part-A**Answer any THREE questions from Part-B*

PART-A (22 Marks)

1. a) What is the difference between inferred reserve and indicated reserve? [4]
- b) What is the meaning of Escrow account? [4]
- c) What is salting in mineral industry? [4]
- d) What are the factors influence the valuation of a mineral? [4]
- e) What are the design considerations in designing the production capacity of a Mine? [3]
- f) List the risks involved in investing in the mineral industry. [3]

PART-B (3x16 = 48 Marks)

2. a) Explain about the resource conversion and its significance? [8]
- b) Write about our National Mineral Policy and its significance? Also comment on the adequacy of it? [8]
3. a) Explain about the various subsidies applicable for the mineral industry? Also comment on the adequacy of it? [8]
- b) Indigenous technology is still not adequate in the mineral industry? Explain about it? [8]
4. a) Explain about the procedure of mineral ore reserve estimation? Assume any parameter if required? [8]
- b) Explain about the various sampling procedures adopted in mineral industry? [8]
5. a) A limestone deposit, worth exploitable reserves of 3 MT, is expected to be worked at a rate of 125,000 tonnes per year at a profit of Rs. 2.75 per tonne. With single rate of interest both for return on and redemption of capital at 15%, what is Lime stone worth? [12]
- b) State the assumption made in the Hoskold's formula using in evaluation of mines? [4]
6. Describe about the various parameters involved in determination of optimum size of a mechanized underground mine? [16]
7. a) Analyze various risks involved in investment in mineral industry? [8]
- b) Explain about the methodology of cost benefit analysis and its significance in mineral industry? [8]