University of Pretoria Yearbook 2021

Engineering technology economics 780 (IKN 780)

Qualification	Postgraduate
Faculty	Faculty of Engineering, Built Environment and Information Technology
Module credits	16.00
NQF Level	08
Programmes	BEngHons Engineering and Technology Management
	BScHons Applied Science Mechanics Physical Asset Management
	BScHons Engineering and Technology Management
Prerequisites	No prerequisites.
Contact time	20 contact hours per semester
Language of tuition	Module is presented in English
Department	Engineering and Technology Management
Period of presentation	Semester 1 and Semester 2

Module content

Engineering Economy assists the engineer in making a wide range of decisions. These decisions involve the fundamental elements of monetary cash flow, time, value of money, project life and the interest rate. Engineering Economy calculates the net present worth, future worth, annual equivalent worth and the internal rentability of the cash flows of the alternatives under consideration. By applying these values in different ways, the most economical alternative can be identified. Calculation of these values for a cash flow takes into account the effective interest rate, inflation and the income tax payable.