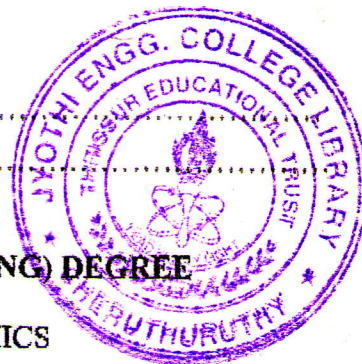


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Name.....

Reg. No.....



**EIGHTH SEMESTER B.TECH. (ENGINEERING) DEGREE**

**EXAMINATION, JUNE 2007**

**EC 2K 801/PT EE 2K 505 – ECONOMICS**

**(Common to AI/ CS / EE / IC / IT)**

C. 31618

Time : Three Hours

Maximum : 100 Marks

**Part A**

Answer all questions

*Each question carries 5 marks.*

- (a) What are the peculiarities of labour as a factor of production? Explain division of labour and state its advantages and disadvantages.
- (b) Define capital formation and explain the process of capital formation. What are the factors governing capital formations?
- (c) Explain the importance of time in the determination of value. Give diagrams to illustrate your answer.
- (d) Define monopoly. How shall a firm under monopoly fix its output and price?
- (e) What are the characteristics of a joint stock company? How is it organized? What are the merits and demerits of joint stock company.
- (f) What is inflation? What are the different types of inflation? Explain the effect of inflation.
- (g) Define national income and explain the different concepts of national income. What are the methods of measurement of national income?
- (h) What are the characteristics of a tax? Explain the merits and demerits of direct and indirect taxes.

(8 X 5 = 40 marks)

**Part B**

Answer all questions

*Each question carries 15 marks*

**MODULE I**

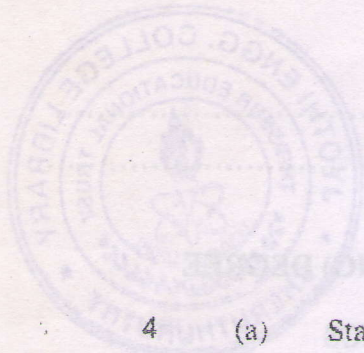
- 2 (a) Define the economies of scale? Explain internal and external economies.  
Or
- (b) Explain the technical and economic efficiencies. How do you calculate economic efficiency? Explain the various ways to enhance efficiency and productivity.

**MODULE II**

- 3 (a) Define elasticity of demand. What are the different types of elasticity of demand? Examine the factors influencing elasticity of demand.  
Or
- (b) Examine the features of monopolistic competition. Explain the equilibrium of the firm under monopolistic competition in the short run and long run.

Turn over





### MODULE III

- 4 (a) State and explain the nature and functions of money. Explain the theory of money.

Or

- (b) What are the principal methods used by the Central Bank to control the creation of credit by commercial banks? Explain the important quantitative and selective methods of credit control?

### MODULE IV

- 5 (a) Explain the case for and against free trade. What are the economic and non economic arguments for protection?

Or

- (b) What are the main cause of India's adverse balance of payments? Explain the measures have been adopted to correct adverse balance of payments. Critically examine India's trade policy.

(4 x 15 = 60 marks)