

C 20271

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Name.....

Reg. No.....

**EIGHTH SEMESTER B.TECH. (ENGINEERING) DEGREE  
EXAMINATION, JUNE 2006**

**EC 2K  
EC/AI/CS/EE/IC/IT 801—ECONOMICS**

Time : Three Hours

Maximum : 100 Marks

**Part A**

*Answer all questions.*

*Each question carries 5 marks.*

1. (a) Critically examine the Robbin's definition of economics.
- (b) State the major issues and problems in economics. Does economics solve practical problems ?
- (c) What are the factors determining the elasticity of demand ? Give an example for cross elasticity of demand.
- (d) How price for a product is determined in a market ? Explain the price determination concept with the help of a schedule and diagram.
- (e) Define money. What are its primary functions ?
- (f) Define Inflation and deflation. Write a brief note on Philip's curve.
- (g) What is meant by International Trade ? State the various assumptions of classical theory of international Trade.
- (h) Distinguish between Balance of payment and Balance of Trade.

(8 × 5 = 40 marks)

**Part B**

*Answer all questions.*

*Each question carries 15 marks.*

**MODULE I**

2. (a) What is meant by utility ? State the types of utility. Distinguish between utility and satisfaction. Discuss the law of Diminishing marginal utility with the help of a tabulation, graph and its applications.

*Or*

- (b) Define efficiency. Illustrate the Technical and Economic efficiency. Discuss the ways to improve productivity.

**MODULE II**

3. (a) What do you mean by elasticity of supply ? Discuss the different types of supply elasticities with illustrations and graphs.

*Or*

**Turn over**

- (b) State the salient features of Monopolistic competition and explain the equilibrium of the firm under monopolistic competition during short and long run.

## MODULE III

4. (a) Who is a Sole Trader ? Discuss the merits and demerits of a sole Trading Business.

Or

- (b) Define inflation. What are its types ? Explain the demand pull and cost push inflation concepts with necessary diagrams and effects of inflation.

## MODULE IV

5. (a) What is absolute in production ? Give an illustration. Explain the Ohlin's theory of International Trade and Modern Theory of International Trade.

Or

- (b) Briefly explain the Social and Economic objectives of Taxation and bring out the characteristics of a good tax system.

(8 x 5 = 40 marks)

## Part B

Answer all questions.

Each question carries 15 marks.

## Module I

1. (a) What is meant by utility ? State the types of utility. Distinguish between utility and satisfaction. Discuss the law of Diminishing marginal utility with the help of a tabulation. Graph and its applications.

Or

- (b) Define efficiency. Illustrate the Technical and Economic efficiency. Discuss the ways to improve productivity.

## Module II

2. (a) What do you mean by elasticity of supply ? Discuss the different types of supply elasticities with illustrations and graphs.

Turn over