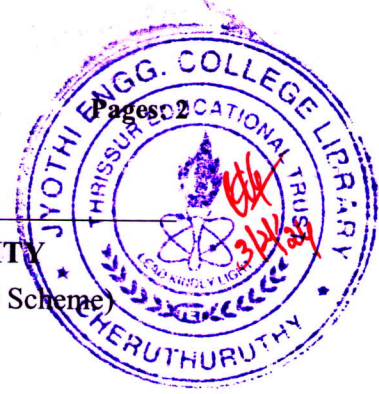


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Reg No.: \_\_\_\_\_

Name: \_\_\_\_\_

**APJ ABDUL KALAM TECHNOLOGICAL UNIVERSITY**  
B.Tech S6 (PT) (S) / S6 (S, FE) Examination January 2024 (2019 Scheme)

**Course Code: HUT300**

**Course Name: INDUSTRIAL ECONOMICS & FOREIGN TRADE**

Max. Marks: 100

Duration: 3 Hours

**PART A**

*Answer all questions, each carries 3 marks.*

- |    |  | Marks |
|----|--|-------|
| 1  | State law of demand and discuss on three exceptions to it.                   | (3)   |
| 2  | What are the central problems of an economy?                                 | (3)   |
| 3  | Distinguish between explicit and implicit cost.                              | (3)   |
| 4  | What is shut down point?   | (3)   |
| 5  | Explain the conditions for profit maximization of a firm.                    | (3)   |
| 6  | Illustrate why the demand curve in perfect competition is perfectly elastic. | (3)   |
| 7  | Describe the fiscal policy measures to control an inflationary situation.    | (3)   |
| 8  | What are government securities?  | (3)   |
| 9  | Differentiate between devaluation and depreciation.                          | (3)   |
| 10 | Examine the advantages of protectionism in international trade.              | (3)   |

**PART B**

*Answer one question from each module, each carries 14 marks.*

**Module I**

- 11 a) Explain with a diagram, the concept of opportunity cost and its linkage with PPC. (7)
- b) What is the law of Diminishing marginal utility? Explain the law with the help of an empirical example. (7)

**OR**

- 12 a) What are the types of price elasticity of demand?  
At an initial advertisement expenditure of Rs.50000, the demand for a firm's product is 80,000 units. When the advertisement budget is increased to Rs.60000, the sales value increased to 90,000 units, Calculate advertisement elasticity of demand. (7)
- b) Diagrammatically explain deadweight loss of taxation. (7)

**Module II**

- 13 a) State and explain the law of variable proportion. (7)  
b) What are isoquants? Describe its characteristics. (7)

**OR**

- 14 a) With the help of a diagram, explain producer's equilibrium and expansion path. (7)  
b) Explain break even analysis with the help of a diagram. What are its uses? (7)

**Module III**

- 15 a) Explain equilibrium of a firm under monopolistic competition. (7)  
b) Write notes on: i) cost plus pricing ii) target return pricing iii) predatory pricing  
iv) price skimming. (7)

**OR**

- 16 a) Compare the market situation of monopoly and monopolistic competition. (7)  
b) Diagrammatically explain the situation, 'A firm functioning under perfect competition is facing loss in short run'. (7)

**Module IV**

- 17 a) Write notes on i) NIFTY and SENSEX ii) Demat and Trading account iii) Bank Rate iv) CRR and SLR (7)  
b) Explain circular flow of income in a four sector economy. (7)

**OR**

- 18 a) Explain the monetary policy measures to control inflation. (7)  
b) Discuss the sources of business financing. (7)

**Module V**

- 19 a) Explain absolute advantage theory of international trade. (7)  
b) With the help of a diagram, examine the effects of tariff. (7)

**OR**

- 20 a) What is meant by BOP? What are the measures to correct disequilibrium in BOP? (7)  
b) Explain comparative cost advantage theory. (7)

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