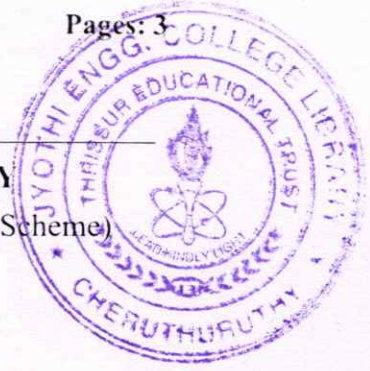Reg No.:_____   Name:_____

APJ ABDUL KALAM TECHNOLOGICAL UNIVERSITY

Fifth Semester B.Tech Degree (S, FE) Examination June 2024 (2019 Scheme)

Course Code: HUT 300
Course Name: INDUSTRIAL ECONOMICS & FOREIGN TRADE

Max. Marks: 100   Duration: 3 Hours

PART A
(Answer all questions; each question carries 3 marks)

		Marks
1	What is Production Possibility Curve? Draw a graph and mark points showing Underutilisation and Full Employment of resources.	3
2	What is a Partnership firm? State three features of a partnership firm.	3
3	In the production function $Q = 100 \, K^{0.3} \, L^{0.7}$. The firm uses 10 units of labour (L) and 10 units of Capital (K). Calculate the output.	3
4	Differentiate between Fixed Cost and Variable Cost.	3
5	What is Product Differentiation? Give two examples to explain this.	3
6	What do you mean by Non - Price Competition under oligopoly?	3
7	State any three fiscal measures adopted by the government to control inflation.	3
8	What are the advantages of a Demat account?	3
9	What are the components of Balance of Payments account?	3
10	Distinguish between Free Trade and Protection.	3

PART B
(Answer one full question from each module, each question carries 14 marks)

Module -1

11	a)	Define price elasticity of demand. Price elasticity of demand for a good is -0.75. Calculate the percentage fall in its price that will result in a 15 per cent rise in its demand.	5
	b)	Suppose the government imposes tax on a commodity where the tax burden is met by consumers. Draw a diagram and explain deadweight loss. Mark consumer surplus, producer surplus, tax revenue and deadweight loss in the diagram.	9

OR

12	a)	What are the features of cooperative organizations?	7

b) Define cross elasticity of demand. The quantity demanded of product A   7

has increased by 12% in response to a 15% increase in price of product B.

Calculate the cross elasticity of demand and tell whether the product pair is (a)

apples and oranges, or (b) car and petrol

Module -2

13 a) Diagrammatically explain Short Run and Long Run Costs faced by a firm.   7

   b) Explain the concept of technical progress. Which are the three types of technical   7

progress.

OR

14 a) Explain Break Even Analysis with the help of a diagram.   7

   b) A company has fixed costs of $300,000 and produces one product with a selling   7

price of $72.00 and a variable cost of $42.00 per unit. The maximum factory

capacity is 20.000 units and it anticipates selling 15.000 units. Calculate the

Breakeven point and Margin of safety at present. How much profit will they make

if sales increase to the maximum that the factory can supply?

Module -3

15 a) Explain the features of Monopolistic Competition.   6

   b) Explain the equilibrium of a firm earning super normal profits under Monopolistic   8

Competition.

OR

16 a) Explain price rigidity under oligopoly with the help of a kinked demand curve.   8

   b) Make a comparison between price skimming and penetration pricing strategy?   6

Module -4

17 a) Distinguish between Money Market and Capital Market.   7

   b) Describe the role of Stock Exchange?   7

OR

18 a) Estimate GDP $_{MP}$. GNP $_{MP}$ and National Income from the following information.   7

Private Consumption Expenditure = 2000

Government Consumption Expenditure = 500

Net Factor Income from abroad = - (300)

Investment = 800

64

Net Exports = 700

Depreciation = 400

Net Indirect Tax = 300

b) Explain Circular Flow of Income in a two sector model of economy.　　7

Module -5

19 a) Explain the Absolute Cost advantage theory.　　7

b) What are the advantages of International Trade?　　7

OR

20 a) Explain the Comparative Cost advantage theory.　　7

b) List down the arguments for and against free trade policy　　7

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