



Reg No.: _____

Name: _____

APJ ABDUL KALAM TECHNOLOGICAL UNIVERSITY

B.Tech Degree S5 (R,S) / S5 (WP) (R) Examination November 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 are the central problems of an economy	3
2	Define price elasticity of demand	3
3	The production function of a firm is given as $300L^{0.25}K^{0.75}$. The firm uses 10 units of labour (L) and 10 units of capital (K). Calculate the output.	3
4	Suppose in the short run, $AVC < P < AC$. Will this firm continue its production or shut down. Give reason	3
5	Why a firm under perfect competition is called a price taker?	3
6	What is penetration pricing	3
7	Explain final goods and intermediate goods	3
8	Distinguish between demat account and trading account	3
9	What is balance of payments? List out its components	3
10	What is devaluation	3

PART B*(Answer one full question from each module, each question carries 14 marks)***Module -1**

- 11 a) With the help of a diagram, explain Law of Diminishing Marginal Utility 7
- b) Define cross elasticity of demand. Suppose the cross elasticity of demand between X and Y is 0.6. if there is a 50 percent change in the price of Y, what will be the percentage change in the quantity demanded of X. 7

OR

- 12 a) With the help of a diagram, explain how the equilibrium price of a commodity is determined in the market. 7

- b) What is dead weight loss of a tax? Examine the consumer surplus and producer surplus before and after a tax with the help of a diagram 7

Module -2

- 13 a) With the help of an Isoquant and Iso-cost line, explain the concept of producer's equilibrium. 7
- b) A firm's total cost function is given by the equation $TC = 5000 + 20Q + 30Q^2$. Estimate TVC, TFC and MC when output (Q) equals 10 units. 7

OR

- 14 a) Explain the concept of technical progress. Which are the three types of technical progress. 7
- b) Explain the concepts of explicit cost, implicit cost, social cost and sunk cost. 7

Module -3

- 15 a) What is perfect competition? What are the features of a perfectly competitive market 7
- b) Explain price rigidity under oligopoly with the help of a kinked demand curve. 7

OR

- 16 a) Make a comparison between monopoly and monopolistic competition. 7
- b) Explain the concepts cost plus pricing, going rate pricing and price skimming 7

Module -4

- 17 a) Explain the circular flow of income in a three sector model with a neat diagram 7
- b) Estimate GDP_{MP} , GNP_{MP} and National Income (All figures in Rs.000 Crores). 7
- Private Consumption Expenditure = 3000, Government consumption = 600, NFIA = - 400, Investment = 1000, Net Exports = 700, Depreciation = 500 and Net Indirect Tax = 300

OR

- 18 a) What is inflation? What are the quantitative measures taken by a central bank to control inflation. 7
- b) From the data given below, estimate Gross National Product, Net National Product and National Income. 7
- GDP_{MP} = 6000 (in 100 Billion), NFIA = - 50, Indirect Tax = 70, Subsidies = 30, Depreciation = 20.

• Module -5

- 19 a) What is international trade? List out the advantages of foreign trade 7
b) Explain about Absolute advantage theory with the help of an example. 7

OR

- 20 a) Explain the Comparative cost advantage theory with the help of an example. 7
b) Differentiate between free trade and protection. Explain any two arguments in support of protectionism. 7
