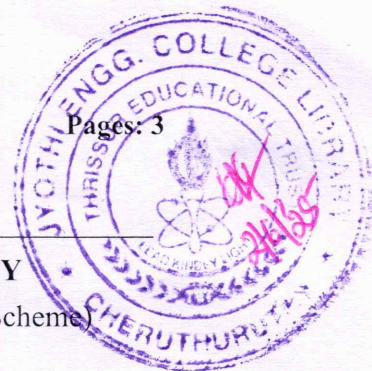Reg No.:_____   Name:_____

APJ ABDUL KALAM TECHNOLOGICAL UNIVERSITY

B.Tech Degree S5 (S,FE) (FT/WP) Examination May 2025 (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 basic economic problems?	3
2	Point out any three exceptions to the law of demand.	3
3	What do you mean by neutral technical progress?	3
4	Suppose AC = 22, AVC = 18 and Price = 20. Will a producer produce or shutdown in the short run? Give reason.	3
5	Comment on the demand curve facing a firm under perfect competition.	3
6	What is oligopoly?	3
7	Distinguish between stock and flow.	3
8	What is a Demat account?	3
9	What are the components of balance of payments? What are the two major items under current account?	3
10	What is devaluation?	3

PART B

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

Module -1

11 a) What is a PPC? Draw a PPC and mark under-utilisation of resources and full employment of resources.   7

b) What is income elasticity of demand? Suppose the income elasticity of demand for a commodity is 2. If there is a 10 percent change in the income of a consumer, what will be the percentage change in quantity demanded?   7

OR

12 a) Suppose the government imposes a tax on a commodity. How it affects consumer and producer surplus? Draw a diagram and explain. Also mark deadweight loss.   7

b) The demand function of a product is given as D = 100 - 4P and the supply 7
function S = 40 + 6P. Estimate equilibrium price and equilibrium quantity. Also
find the excess demand when Price equals Rs.5.

Module -2

13 a) What is an isoquant? What are the properties of an isoquant? Why an isoquant is 7
convex to the origin?

b) The total cost function of firm is given as TC=500+5Q – 4Q^2+Q^3. Derive AC, 7
TVC, AVC and MC. Also find TFC and MC when output equals 50 units.

OR

14 a) How will you find least cost combination of a firm with the help of an isoquant 7
and isocost line?

b) Suppose the monthly fixed cost of a firm is Rs.10000. The price per unit of output 7
is Rs.20 and the average variable cost is Rs.10. Find i) Break-even output ii)
Profit earned when the firm sells 2000 units iii) If the firm wants to bring down
the break-even output to 500 units, what should be the price to be charged?

Module -3

15 a) How will you find the equilibrium level of output of a firm under perfect 7
competition with MC, MR approach? State the condition for equilibrium

b) Make a comparison between monopoly and monopolistic competition. 7

OR

16 a) State the features of perfect competition and monopoly. Make a comparison 7
between the demand curve of a firm under perfect competition and monopoly.

b) What is non price competition? List any five methods of non-price competition. 7

Module -4

17 a) What are the effects of inflation? 7

b) How is GDP estimated according to the expenditure method? Estimate GDP and 7
GNP from the given data (all figures in Rs. Crores).
Private final consumption expenditure - 1000, Investment expenditure – 500,
Wages and salaries – 600, Government expenditure – 400, Rent – 100,
Net exports -100, Net factor income from abroad - 200

OR

18 a) What is a stock market? List out the major functions of a stock market. 7

b) Estimate NDP, GNP and NNP from the given data (in Rs. Crores). 7

GDP =2000, Depreciation=200, NFIA= (-300), Indirect tax =500

Module -5

19 a) Explain the absolute advantage theory with a numerical example.   7

   b) What is free trade? State any five arguments in favour of free trade.   7

<div align="center">OR</div>

20 a) Define international trade. What are the advantages of foreign trade?   7

   b) What is devaluation? Examine the success of devaluation when demand for   7
export is more elastic or less elastic.

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