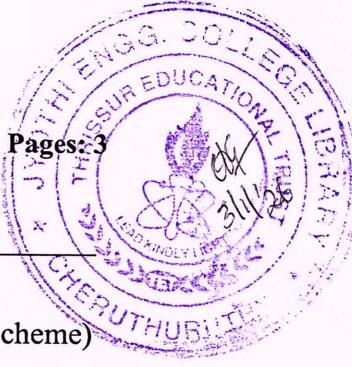


Reg No.: _____

Name: _____



APJ ABDUL KALAM TECHNOLOGICAL UNIVERSITY
B.Tech Degree S6 (S,FE) (FT/WP/PT) Examination December 2025 (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 Explain the concept of Price Elasticity of Demand with its equation. (3)
- 2 State and explain the Law of Diminishing Marginal Utility. (3)
- 3 What is a Production Function? Explain briefly. (3)
- 4 Differentiate between Explicit and Implicit Costs with suitable examples. (3)
- 5 Define Monopoly and mention one of its key features. (3)
- 6 What is Predatory Pricing? Explain it with an example. (3)
- 7 Draw a neat diagram showing the Circular Flow of Economic Activities in a Two-Sector Economy. (3)
- 8 State three differences between the Money Market and the Capital Market. (3)
- 9 Define Balance of Payments and mention its two main components. (3)
- 10 What is a Tariff? Give one economic effect of imposing tariffs. (3)

PART B

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

Module I

- 11 a) Explain the concept of the Production Possibility Curve (PPC) and illustrate it with a suitable diagram. Discuss how the curve shows the problems of scarcity, choice, and opportunity cost in an economy. (10)
- b) What is the difference between a sole proprietorship and a partnership? (4)

OR

- 12 a) Explain how demand and supply determine the price and quantity of a commodity in the market. Support your answer with a suitable diagram. (10)
- b) The demand function of a product is given as $D = 60 - 4P$, and the supply function is $S = 10 + 2P$.
 1. Find the equilibrium price and equilibrium quantity of the product.
 2. Find the demand of the product when the price is ₹5.

Module II

13 a) Explain the Law of Variable Proportions with the help of a suitable diagram. (10)
Discuss its three stages and mention its importance in production.
b) Explain the concept of an Isoquant with the help of a diagram. (4)

OR

14 a) Why is the Average Cost (AC) curve U-shaped in the short run? Explain the (10)
reasons for its shape with the help of a suitable diagram.
b) A company sells a product at ₹200 per unit. The variable cost per unit is ₹120, and (4)
the fixed costs are ₹16,000. Calculate the Break-Even Quantity. Also, interpret
what this figure means for the company.

Module III

15 a) Explain the features of Monopolistic Competition. Discuss the short-run and long- (14)
run equilibrium of a firm under monopolistic competition, highlighting how a firm
earns supernormal profit in the short run.

OR

16 a) Explain the concept of oligopoly and describe the kinked demand curve model. (10)
How does this model help to explain price rigidity under oligopoly?
b) Differentiate between Penetration Pricing and Price Skimming. (4)

Module IV

17 a) Explain the various methods of measuring national income. Discuss the steps (10)
involved in each method.
b) Differentiate between Final Goods and Intermediate Goods. (4)

OR

18 a) Explain the concept of inflation and discuss its major causes and effects on the (10)
economy.
b) Using the Expenditure Method, calculate the GDP at Market Price of a country (4)
from the following data: Private Consumption Expenditure = ₹4,500 crore
Government Expenditure = ₹1,200 crore, Gross Domestic Capital Formation
(Investment) = ₹800 crore, Exports = ₹600 crore, Imports = ₹400 crore.

Module V

19 a) Explain the advantages and disadvantages of international trade. (10)

b) Explain the concept of Devaluation and discuss its effects on a country's economy. (4)

OR

20 a) Explain the Heckscher–Ohlin theory of international trade and its key assumptions. (10)

b) Differentiate between Free Trade and Protection. (4)

