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APJ ABDUL KALAM TECHNOLOGICAL UNIVERSITY

B.Tech Degree S6 (R,S) (FT/WP/PT) Examinations April 2026 (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	What is meant by cross elasticity of demand?	(3)
2	Explain the law of supply and why the supply curve typically slopes upward.	(3)
3	What is an iso-cost line?	(3)
4	Define sunk cost and state why it is irrelevant in marginal decision-making.	(3)
5	What is collusive oligopoly?	(3)
6	Why do firms adopt penetration pricing when launching a new product?	(3)
7	What is the difference between Gross Domestic Product (GDP) and Gross National Product (GNP)?	(3)
8	Distinguish between the Repo Rate and the Reverse Repo Rate.	(3)
9	Explain how international trade helps a country to use its resources effectively.	(3)
10	Describe the meaning of 'devaluation' in the context of a country's currency and its immediate impact on imports.	(3)

PART B

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

Module I

11	a)	Explain the Law of Diminishing Marginal Utility with the help of an example and diagram.	(8)
	b)	Explain the major determinants of demand for a commodity.	(6)
		OR	
12	a)	With the help of a diagram, explain the concepts of consumer surplus, producer surplus, and deadweight loss.	(14)

Module II

13	a)	Explain the concept of an expansion path. Illustrate and describe how it shows the firm's equilibrium at different output levels using a suitable diagram.	(10)
	b)	Explain the Cobb–Douglas production function and its key features.	(4)
		OR	

14 a) A company manufactures T-shirts. The fixed cost per month is ₹30,000, which includes rent and salaries. The selling price per T-shirt is ₹500, and the variable cost per T-shirt is ₹300. (8)

a) Calculate the break-even level of output.

b) If the company sells 250 T-shirts, determine the profit or loss.

c) Find the number of T-shirts to be sold to earn a profit of ₹40,000.

d) If the sales volume is 250 T-shirts, compute the margin of safety.

b) Explain the different concepts of revenue and show the relationship between Total Revenue, Average Revenue, and Marginal Revenue. (6)

Module III

15 a) Differentiate monopoly from perfect competition and explain how a monopolist determines price and output in the market. (10)

b) Explain the main features of monopolistic competition. (4)

OR

16 a) Explain how price and output are determined under monopolistic and oligopolistic competition with the help of suitable diagrams. (14)

Module IV

17 a) Explain the Circular Flow of Economic Activities in a four-sector model with the help of a neat diagram. (10)

b) Explain the three sectors of an economy based on the nature of economic activities. (4)

OR

18 a) Explain the following concepts of National Income: (10)

1. Gross Domestic Product at Market Price (GDP_{mp})
2. Net Domestic Product at Market Price (NDP_{mp})
3. Gross National Product at Market Price (GNP_{mp})
4. Net National Product at Market Price (NNP_{mp})
5. Net National Product at Factor Cost (NNP_{fc})

b) From the data given below, calculate Gross Domestic Product at Market Price (GDP_{mp}) using the Expenditure Method . (4)

Data (₹ in Crores):

Private Consumption Expenditure = 5,000

Investment Expenditure = 2,000

Government Expenditure = 1,500

Exports = 1,200

Imports = 1,000

Module V

19 a) Differentiate between the Absolute Advantage Theory and the Comparative Advantage Theory of international trade. (10)

b) Explain the concept of Balance of Payments (Bop) and distinguish between its current account and capital account. (4)

OR

20 a) Explain the concept of tariff and non-tariff barriers and its effects on international trade. (10)

b) Explain the concept of trade policy and describe its major types with suitable examples. (4)

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