



Name : .....

Roll No. : .....

Invigilator's Signature : .....

**CS/B.Tech(FT)/SEM-7/HU-702/2011-12**

**2011**

**ENGINEERING ECONOMICS**

*Time Allotted : 3 Hours*

*Full Marks : 70*

*The figures in the margin indicate full marks.*

*Candidates are required to give their answers in their own words  
as far as practicable.*

**GROUP – A**

**( Multiple Choice Type Questions )**

1. Choose the correct alternatives for any *ten* of the following :

10 × 1 = 10

- i) When total utility is maximum, marginal utility is
  - a) positive
  - b) negative
  - c) zero
  - d) either zero or negative.
- ii) For two perfectly substitute goods an indifference curve is
  - a) L-shaped
  - b) Convex to the origin
  - c) Concave to the origin
  - d) Straight line.



- iii) Income elasticity of demand for inferior good is
- a) positive
  - b) negative
  - c) zero
  - d) none of these.
- iv) Perfect competition can be characterized by a
- a) small no. of firms and product homogeneous
  - b) large no. of firms and product homogeneous
  - c) large no. of firms and product differentiation
  - d) single firm and product differentiation.
- v) In general the objective of a consumer is to
- a) maximize the utility
  - b) minimize the utility
  - c) maximize budget and minimize utility
  - d) none of these.



vi) In the cardinal utility theory, 'Measuring rod' of utility is

- a) Marginal utility of money
- b) Average utility of money
- c) Marginal utility of commodity
- d) Average utility of commodity.

vii) Which of the following markets is most imperfect form ?

- a) Perfect competition
- b) Oligopoly
- c) Monopoly
- d) Monopolistic competition.

viii) Production function depicts the relationship between

- a) input and output      b) demand and supply
- c) both (a) and (b)      d) none of these.



- ix) Isoquant in general cases is
- a) positively sloped
  - b) *L*-shaped
  - c) negatively sloped
  - d) none of these.
- x) Credit control is the function of
- a) RBI
  - b) Commercial banks
  - c) Cooperative banks
  - d) Regional Rural banks.
- xi) Kinked demand curve is related with
- a) Monopolistic market
  - b) Oligopoly market
  - c) Monopoly market
  - d) Perfect competition with sudden fall of demand due to disaster.



xii) In perfect competition the number of buyers are

- a) large
- b) one
- c) small
- d) moderate.

**GROUP – B**

**( Short Answer Type Questions )**

Answer any *three* of the following.  $3 \times 5 = 15$

- 2. State diagrammatically the three major properties of indifference curve.
- 3. Define concept of elasticity.
- 4. Explain 'Income method' of measuring national income.
- 5. What is 'Law of demand' ? Write two exceptions of 'Law of demand'.
- 6. State "Delphi method" of demand forecasting.

**GROUP – C**

**( Long Answer Type Questions )**

Answer any *three* of the following.  $3 \times 15 = 45$

- 7. Define concept of utility. Distinguish between two types of utility. Explain law of diminishing marginal utility with assumptions.

$2 + 3 + 10$

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8. What do you mean by ridge line ? What are the salient properties of isoquant ? Graphically describe the region of economically efficient production zone. 3 + 6 + 6

9. a) What is the relationship between cost and productivity ?

b) Diagrammatically explain the envelope curve.

c) What do you mean by opportunity cost, sunk cost and accounting cost ? 5 + 5 + 5

10. a) Distinguish between the perfectly competitive market and monopoly market environment with respect to the basic characteristics of market.

b) What do you mean market equilibrium ?

c) What is understand by income effect ? 5 + 7 + 3

11. What do you mean by economic liberalization ? Enumerate the positive and negative effects of privatization and globalization. 6 + 9



12. Write short notes on any *three* of the following : 3 × 5

- a) Price discrimination
- b) NPV & IRR
- c) Three stages of production
- d) Economies & diseconomies of scale
- e) Sweezy model
- f) Savings and disposable income.

