



Name :

Roll No. :

Invigilator's Signature :

CS/B.Tech (FT)/SEM-7/HU-702/2010-11

2010-11

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 the following : $10 \times 1 = 10$

- i) Elasticity of demand for a necessary good is
 - a) equal to one
 - b) greater than one
 - c) less than one
 - d) zero.
- ii) A monopolist operates when
 - a) Price elasticity of demand > 1
 - b) Price elasticity of demand < 1
 - c) Price elasticity of demand $= 1$
 - d) Price elasticity of demand $= 0$.
- iii) In order to control to the inflation, RBI
 - a) decreases CRR b) increases CRR
 - c) does not change CRR d) decreases SLR.



- iv) NNP (Net National Product) is
 - a) GDP – Depreciation b) GDP + Depreciation
 - c) GNP + Depreciation d) GNP – Depreciation.
- v) When AC is minimum, AVC is
 - a) diminishing b) increasing
 - c) minimum d) equal to AC.
- vi) If a change in all inputs leads to more than proportional change in output, it is a case of
 - a) increasing returns to scale
 - b) decreasing returns to scale
 - c) constant returns to scale
 - d) variable returns to scale.
- vii) If the cross elasticity of demand is negative then the commodities are
 - a) Giffen b) Substitutes
 - c) Complements d) Normal.
- viii) Supply curve is absent in
 - a) Monopoly
 - b) Perfect competition
 - c) Monopolistic competition
 - d) Oligopoly.
- ix) For two perfectly substitute goods an indifference curve is
 - a) convex to the origin b) concave to the origin
 - c) L-shaped d) straight line.
- x) The demand curve of the oligopolist has a kink because he expects
 - a) competitor's uncertain behaviour
 - b) competitor's certain behaviour
 - c) demand broken
 - d) none of these.



GROUP – B

(Short Answer Type Questions)

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

2. Why supply curve is upward rising and demand curve is downward sloping ?
3. Define Ridgeline. Enumerate the economic region of production.
4. Define income elasticity of demand. What are the values of income elasticities for luxury and necessary goods ?
5. Define the concept of GDP and GNP. Give example.
6. State the main features of perfect competition.

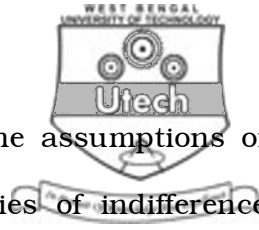
GROUP – C

(Long Answer Type Questions)

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

7. What is demand and demand function ? Explain geometrically the price-quantity relationship where demand curve is negatively sloped, vertical to the price axis and positively sloped. $5 + 10$
8. What is elasticity of supply ? Prove that elasticity of supply varies from '0' to ' ∞ '. Explain the market equilibrium. $2 + 6 + 7$

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9. What is indifference curve ? What are the assumptions of indifference curve ? Explain the properties of indifference curve. 2 + 5 + 8

10. a) Define the concept of liberalization of Indian economy.
b) Discuss the advantages and disadvantages of privatization of Indian industries. 5 + 10

11. Write short notes on any *two* of the following : $2 \times 7\frac{1}{2}$

- a) Capital budgeting
 - b) Banking reforms in India
 - c) National income
 - d) Demand for costing.
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