	Utech
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Invigilator's Signature :	

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)

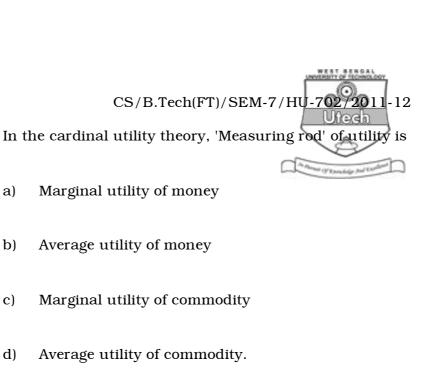
1. Choose the correct alternatives for any *ten* of the following :

 $10 \times 1 = 10$

- 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.

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



- vii) Which of the following markets is most imperfect form?
 - a) Perfect competition
 - Oligopoly b)

vi)

a)

b)

c)

d)

- Monopoly c)
- d) Monopolistic competition.
- viii) Production function depicts the relationship between
 - a) input and output b) demand and supply
 - both (a) and (b) none of these. c) d)



- 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.

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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 diagramatically the three major properties of indifference curve.
- 3. Define concept of elasticity.
- 4. Explain 'Income method' of measuring national income.
- 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)

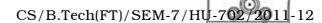
Answer any *three* of the following. $3 \times 15 = 45$

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

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- 12. Write short notes on any three of the following:
 - a) Price discrimination
 - b) NPV & IRR
 - c) Three stages of production
 - d) Economies & diseconomies of scale
 - e) Sweezy model
 - f) Savings and disposable income.

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