

Reg No.: _____

Name: _____

APJ ABDUL KALAM TECHNOLOGICAL UNIVERSITY

Fifth Semester B.Tech Degree Examination December 2021 (2019 scheme)

Course Code: HUT300**Course Name: INDUSTRIAL ECONOMICS & FOREIGN TRADE**

Max. Marks: 100

Duration: 3 Hours

PART A*(Answer all questions; each question carries 3 marks)*

Marks

- | | | |
|----|--|---|
| 1 | What are the basic economic problems? | 3 |
| 2 | Explain Production Possibility Curve. | 3 |
| 3 | Define expansion path. | 3 |
| 4 | What is margin of safety .What happens when margin of safety is low? | 3 |
| 5 | What is collusive oligopoly? | 3 |
| 6 | What is price skimming? | 3 |
| 7 | How is GDP calculated? | 3 |
| 8 | Distinguish between Money market and Capital market. | 3 |
| 9 | What is free trade? | 3 |
| 10 | What is Devaluation | 3 |

PART B*(Answer one full question from each module, each question carries 14 marks)***Module -1**

- | | | |
|----|---|---|
| 11 | a) List out the advantages and disadvantages of Joint Stock Company. | 7 |
| b) | Define cross elasticity of demand. A tea manufacturing company was able to sell 8000 kg of tea when the price of coffee was Rs.70 per kg. Later they were able to sell 9000 kg when the price of coffee became Rs.80 per kg. Calculate the cross elasticity of demand for tea. Are the two commodities substitutes or complements? Give reason. | 7 |

OR

- | | | |
|----|---|---|
| 12 | a) Define price elasticity of demand. A company producing soft drink is selling its product for Rs. 22. It sells 1000 units, and then increases the price to Rs.24. Now sales fall to 900 units. What is the price elasticity of soft drink? Is the demand elastic or inelastic? Why? | 7 |
| b) | With the help of diagram explain Deadweight loss. | 7 |

Module -2

- 13 a) Explain Law of variable proportion with a diagram. 7
 b) Explain Marginal revenue and Average revenue in Perfect competition and imperfect competition with graph. 7

OR

- 14 a) Define Isoquant curve. Explain the properties of Isoquant curve. 7
 b) The total sales of a manufacturing firm is Rs 20000 in this year. Its variable costs are Rs 8000 while its fixed costs are Rs 6000 for that year. Find the breakeven point of this firm. 7

Module -3

- 15 a) Distinguish between monopoly and oligopoly. 7
 b) With the help of a diagram, explain equilibrium under monopolistic competition. 7

OR

- 16 a) Explain kinked demand curve model. 7
 b) Which are the different types of Non price competition under Oligopoly. 7

Module -4

- 17 a) Explain Circular flow of income in two sector model and four sector model. 7
 b) From the data given below estimate the NDP, using income method and expenditure method. 7

Items	(Rs .Crores)
Consumption expenditure	3000
Investment expenditure	2000
Government expenditure	700
Exports	600
Import	300
Intermediate Consumption	2000
Wages and salaries	2000
Rent	500
Interest	500
Profit	1000

OR

- 18 a) What are the different methods used to control Inflation. 7

- b) From the data given below estimate Gross National Product, Net National Product and National income. 7

GDP	5000 (in 100 billion)
NFIA	-50
Indirect tax	70
Subsidies	20
Depreciation	30

Module -5

- 19 a) What is international trade? List out the advantages of Foreign trade? 7
b) What are tariff barriers? Explain its impact on the economy. 7

OR

- 20 a) What are the arguments in favour of free trade? 7
b) Explain absolute advantage theory with the help of an example. 7

Reg No.: _____

Name: _____

APJ ABDUL KALAM TECHNOLOGICAL UNIVERSITY
 Sixth Semester B.Tech Degree Examination June 2022 (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 | Describe factors of production. | (3) |
| 2 | What should be the percentage change in price of a product if the sale is to be increased by 50 percentages and its price elasticity of demand is 2? | (3) |
| 3 | What is the economic significance of opportunity cost? | (3) |
| 4 | Define marginal utility. | (3) |
| 5 | What are the features of perfect competition? | (3) |
| 6 | Define market structure. | (3) |
| 7 | Differentiate between GDP and GNP. | (3) |
| 8 | What is money market & define its functions. | (3) |
| 9 | What do you mean by BOP? | (3) |
| 10 | What is free trade and what are its advantages? | (3) |

PART B*Answer one question from each module, each carries 14 marks.***Module I**

- 11 a) What is a production possibility curve? With the help of a production possibility curve, explain 1) Under-utilization of resources 2) Full employment of resources. (8)
- b) What are the components of demand and state law of demand? (6)

OR

- 12 a) Explain the law of diminishing marginal utility with diagram? (8)
- b) State the law of supply and explain the determinants of supply. (6)

Module II

- 13 a) Discuss cost-output relationship in short-run and long-run. (8)
- b) What are isoquant curves? State their properties. (6)

OR

- 14 a) In a production function, $Q=2L^{1/2}K^{1/2}$. If $L=36$, 1) How many units of capital are needed to produce 60 units of output. 2) In the production function, $Q=2L^{1/2}K^{1/2}$ determine the percentage increase in output if labour is increased by 10% assuming capital is held constant.
 b) Explain the law of variable Proportions. (6)

Module III

- 15 a) Compare the market situation of perfect competition with monopoly. (8)
 b) What is collusive oligopoly? (6)

OR

- 16 a) What is pricing and what are the different methods used for pricing? (8)
 b) Explain kinked demand curve. (6)

Module IV

- 17 a) Explain the methods of national income calculation. (8)
 b) What are the difficulties in the measurement of NI? (6)

OR

- 18 a) What is inflation and what are the fiscal policy measures to control inflation? (8)
 b) What is repo rate and how it controls inflation? (6)

Module V

- 19 a) State and explain the Heckscher -Ohlin theory of international trade. (8)
 b) What do you mean by devaluation? Explain the conditions for its success. (6)

OR

- 20 a) Explain any four measures to solve the problem of deficit in the balance of payments. (8)
 b) List any six arguments in support of protectionism. (6)

Reg No.: _____

Name: _____

APJ ABDUL KALAM TECHNOLOGICAL UNIVERSITY

Fifth Semester B.Tech Degree Regular and Supplementary Examination December 2022 (2019 Scheme)

Course Code: HUT 300**Course Name: INDUSTRIAL ECONOMICS & FOREIGN TRADE**

Max. Marks: 100

Duration: 3 Hours

PART A*(Answer all questions; each question carries 3 marks)*

Marks

- | | | |
|----|---|---|
| 1 | Why does the problem of choice arise in an economy? | 3 |
| 2 | What is inelastic demand? | 3 |
| 3 | What do you mean by labour augmenting technical progress? | 3 |
| 4 | Suppose $AC > Price > AVC$. Will a producer produce or shutdown in the short run? Give reason. | 3 |
| 5 | Why a firm under perfect competition is called a price taker? | 3 |
| 6 | What is collusive oligopoly? | 3 |
| 7 | Distinguish between final goods and intermediate goods. | 3 |
| 8 | What is a Trading account? | 3 |
| 9 | Point out any three items coming under unilateral transfers account. | 3 |
| 10 | What is balance of payments? | 3 |

PART B*(Answer one full question from each module, each question carries 14 marks)***Module -1**

- | | | |
|-------|---|---|
| 11 a) | Draw total utility and marginal utility curves and derive the three relations between marginal utility and total utility. | 7 |
| b) | What is cross elasticity of demand? Suppose cross elasticity of demand between X and Y is 0.5. If there is a 50 percent change in the price of Y, what will be the percentage change in the quantity demanded of X? | 7 |

OR

- | | | |
|-------|--|---|
| 12 a) | What is deadweight loss of a tax? Examine the consumer and producer surplus before and after a tax with the help of a diagram. | 7 |
|-------|--|---|

- b) The demand function of a product is given as $D = 60 - 2P$ and the supply function $S = 30 + 4P$. Estimate equilibrium price and equilibrium quantity. Also find the excess supply when Price equals Rs.6?

Module -2

- 13 a) What do you mean by returns to scale? Represent it using a figure. 7
 b) Suppose a firm pays Rs.10000 as monthly rent and Rs.10000 as interest payment. 7
 Its monthly expenditure on raw materials is Rs.40000 and it gets monthly sales revenue of Rs.80000. The price of one unit of output is Rs.40. Estimate i) PV Ratio ii) Break even sales iii) Break-even output iv) Profit earned v) Margin of safety

OR

- 14 a) How will you explain producer's equilibrium with the help of an isoquant and isocost line? 7
 b) The total cost function of firm is given as $TC=500+5Q-4Q^2+Q^3$. Estimate TVC, 7
 TFC and MC when output equals 10 units.

Module -3

- 15 a) Make a comparison between monopoly and monopolistic competition. Draw 7 figures showing the determination of equilibrium under both.
 b) Explain cost plus and going rate pricing. 7

OR

- 16 a) What are the major features of monopolistic competition? Suppose a firm under 7 monopolistic competition is getting supernormal profit. Draw a diagram and explain this situation.
 b) State the features of Oligopoly. Why price is rigid under oligopoly? 7

Module -4

- 17 a) What is monetary policy? What are the monetary policy measures? 7
 b) How is national income estimated according to the income method? Estimate 7
 NDP and NNP from the given data (all figures in Rs. Crores).

Wages and salaries = 800, Rent = 300, Depreciation = 200, Interest = 400, Net
 Indirect tax = 400, NFIA = 100, Profit = 400.

OR

- 18 a) Distinguish between the money market and the capital market 7

- b) Suppose the national income of a country is Rs1000 and depreciation equals 7
Rs300. If NFIA equals Rs (-400) and Indirect Taxes equals Rs300, estimate
NNP, NDP, GDP and GNP (all figures in Rs. Crores).

Module -5

- 19 a) Examine the comparative cost theory. Point out any two criticisms against this 7
theory.
b) What is protection? State any five arguments in favour of protection. 7

OR

- 20 a) What are the disadvantages of foreign trade? Examine the effects of quotas on 7
international trade.
b) Evaluate the success or failure of devaluation when the demand for import is 7
more elastic or less elastic.

Reg No.: _____

Name: _____

APJ ABDUL KALAM TECHNOLOGICAL UNIVERSITY

Sixth Semester B.Tech Degree Supplementary Examination May 2023 (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 are the determinants of supply? | (3) |
| 2 | What are the three central problems of an economy? | (3) |
| 3 | Distinguish between Fixed cost and variable cost. | (3) |
| 4 | Define break-even point. | (3) |
| 5 | Explain oligopolistic competition with its features. | (3) |
| 6 | What is price skimming? | (3) |
| 7 | How does open market operation work to affect the money supply? | (3) |
| 8 | What are the difficulties in the measurement of national income? | (3) |
| 9 | Distinguish between exchange depreciation and devaluation. | (3) |
| 10 | What do you mean by Balance of Trade? | (3) |

PART B*Answer one question from each module, each carries 14 marks.***Module I**

- | | | |
|----|---|------|
| 11 | a) Explain various types of price elasticity of demand and state its formula. | (10) |
| | b) Explain the concept of cross elasticity of demand. | (4) |

OR

- | | | |
|----|--|------|
| 12 | a) What is Joint Stock Company? Discuss the advantages and disadvantages of Joint Stock Company. | (10) |
| | b) What happens to consumer and producer surplus when the sale of a good is taxed? | (4) |

Module II

- | | | |
|----|--|------|
| 13 | a) Explain the assumptions, uses and limitations of break-even analysis. | (10) |
| | b) Distinguish between social cost and private cost. | (4) |

OR

- 14 a) Derive an equation for break-even quantity with the help of break-even chart. (10)
 b) Explain two reasons why internal diseconomies might occur. (4)

Module III

- 15 a) What is perfect competition? Why does the demand curve of a firm facing perfect competition is perfectly elastic? (10)
 b) Explain predatory pricing method. (4)

OR

- 16 a) Compare and differentiate between perfect competition, monopolistic competition and monopoly. (10)
 b) Explain Going rate pricing. (4)

Module IV

- 17 a) Describe the circular flow concept using a four sector model. (10)
 b) State the importance of money market. (4)

OR

- 18 a) What are the monetary measures of controlling inflation? Are the monetary or fiscal measures more effective in controlling inflation? (10)
 b) What is stock index? Give examples. (4)

Module V

- 19 a) Differentiate between the theory of absolute advantage and the theory of comparative advantage. (10)
 b) What is a free trade & what are its advantages. (4)

OR

- 20 a) Explain the causes for and the methods of correcting disequilibrium in BOP. (10)
 b) What are types of non-tariff barriers? (4)

Reg No.: _____

Name: _____

APJ ABDUL KALAM TECHNOLOGICAL UNIVERSITY
B.Tech Degree S6 (R, S) / S6 (PT) (R) Examination June 2023 (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 Describe about opportunity cost with an example. (3)
- 2 List out the advantages and disadvantages of Joint Stock Company. (3)
- 3 Given below are the production function of firm A, $Q = 2K^{0.25}L^{0.75}$. The firm uses 5 units of labour (L) and 5 units of capital (K). Calculate the output. If we reduce L by 10%, how much K would be increased to produce the same output. (3)
- 4 Explain how equilibrium price of a commodity is determined. (3)
- 5 Elucidate the features of a monopolistic competition. (3)
- 6 Explain cost-plus pricing. (3)
- 7 Differentiate between GDP and GNP. (3)
- 8 Write a note on stock indices in India. (3)
- 9 Explain Heckscher-Ohlin theory. (3)
- 10 Summarize on Balance of Invisibles. (3)

PART B

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

Module I

- 11 a) What is a production possibility curve? With the help of a production possibility curve, explain (i) Trade Off (ii) Why PPC is concave to the origin? (10)
- b) Calculate the marginal utility from the following data (4)

X	1	2	3	4	5	6	7	8
TU	11	19	26	31	34	36	36	30

OR

- 12 a) With a diagram explain deadweight loss and how it is related to taxation. Also explain how the imposition of a tax affects consumer and producer surplus. (10)
- b) Suppose the price of coffee rises from Rs. 4.50 per hundred grams to Rs. 5 per (4)

hundred grams and as a result the consumer's demand for tea increases from 60 per hundred grams to 70 per hundred grams. Find the cross elasticity of demand of tea and coffee.

Module II

- 13 a) (i) Explain break-even analysis with a diagram. (10)
 (ii) Consider the following data of a company for the year 2022. Sales Rs. 80000, Fixed Cost is Rs. 15000, Variable cost is Rs. 35000. Find the following
 (a) Breakeven Sales (b) Contribution (c) Margin of safety (d) Profit.
 b) In a firm if $AVC < P < AC$, will the firm shutdown or continue to produce in short run? Explain in detail with diagram where, P-Price, AVC-Average Variable Cost, AC-Average Cost. (4)

OR

- 14 a) Diagrammatically explain the law of variable proportions. (10)
 b) A firm's total cost function is given by the equation, $TC = 4500 + 10Q + 25Q^2$. Write the expression for the following cost concepts. (a) AFC (b) AVC (c) AC (d) MC (4)

Module III

- 15 a) Compare the market structures: perfect competition, monopoly and oligopoly. (10)
 b) What is price skimming? (4)

OR

- 16 a) Describe on product pricing and explain the different methods used for pricing. (10)
 b) Explain kinked demand curve. (4)

Module IV

- 17 a) Explain in detail the circular flow of income in a four sector model with a neat diagram. (10)
 b) Estimate GDP_{MP} , GNP_{MP} and National Income. (4)
 Private consumption expenditure = 2000 (in 000 crores), Government consumption = 500, $NFIA = -300$, Investment=800, Net exports=700, Depreciation=400 and Net-indirect tax=300.

OR

- 18 a) Define Inflation and explain cost push and demand pull inflation. Are the monetary or fiscal measures more effective in controlling inflation? (10)
 b) Write notes on i) Bonds and Shares ii) Demat Account (4)

Module V

- 19 a) Compare the theory of absolute advantage and the theory of comparative advantage with examples. (10)
b) Examine any two effects of tariff in international trade. (4)

OR

- 20 a) Differentiate between free trade and protectionism. Also discuss on the current account component of balance of payment. (10)
b) What do you mean by devaluation? Explain the conditions for its success. (4)
