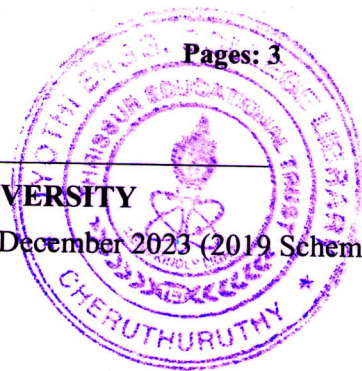


Reg No.: _____

Name: _____

APJ ABDUL KALAM TECHNOLOGICAL UNIVERSITY

Fifth Semester B.Tech Degree Regular and Supplementary Examination December 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 three central problems of an economy? (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 reduced L by 10%, how much would K need to be increase to produce the same output. (3)
- 4 How is 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 the following (i) Stock index (ii) Demat account and Trading account (iii) Bond and Share. (3)
- 9 What is international trade? List out the advantages of foreign trade. (3)
- 10 What is balance of payments? List out its components. (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) Underutilization of resources (ii) Full employment of resources. (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) What is deadweight loss? How does it relate to taxation? 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 hundred grams and as a result the consumer's demand for tea increases from 60 hundred grams to 70 hundred grams. Find the cross elasticity of demand of tea and coffee. (4)

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) Margin of safety. (b) Contribution Profit. (c) Breakeven Sales. and (d) Profit.
- b) In a firm if $AVC < P < AC$, Will the firm shutdown or continue to produce in short run? 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) TFC, (b) AFC, (c) TVC (d) AVC (e) AC and (f) MC. (4)

Module III

- 15 a) Compare and differentiate between perfect competition, monopoly, and oligopoly. (10)
- b) What is price skimming? (4)

OR

- 16 a) What is pricing and what are the different methods used for pricing? (10)
- b) Explain kinked demand curve. (4)

Module IV

- 17 a) Explain the circular flow of income in a three sector and 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) What is Inflation? Explain different types of inflation and its control measures. (10)
Are the monetary or fiscal measures more effective in controlling inflation?
- b) Suppose the national income of a country is Rs. 2000 and depreciation equals Rs. 350. If NFIA equals Rs (-480) and Indirect Taxes equals Rs. 350, estimate NNP, NDP, GDP and GNP (all figures in Rs. Crores). (4)

Module V

- 19 a) Differentiate between the theory of absolute advantage and the theory of comparative advantage. (10)
- b) Examine the tariff and non-tariff barriers to international trade. (4)

OR

- 20 a) Differentiate between free trade and protectionism. List any six arguments in support of protectionism (10)
- b) What do you mean by devaluation? Explain the conditions for its success. (4)

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