

**E-233**

**B. E. IV Semester (Main & Re-Exam.) Examination- May, 2016**

**INDUSTRIAL ECONOMICS**

*Dec. 2016*

Branch : EC & CSE

Time : Three Hours ]

[ Max. Marks : 75

[ Min. Marks : 30

*Note : Attempt all the questions from Section - A, Four from Section - B and three questions from Section - C .*

**SECTION - A**

[ Marks :  $1.5 \times 10 = 15$

**(Objective Type Questions)**

1. Which theory is generally included under micro economics
  - (a) Price theory
  - (b) Income theory
  - (c) Employment theory
  - (d) None of these
2. Under the law of demand :
  - (a) Price of the commodity is an independent variable
  - (b) Quantity demanded is a dependent variable
  - (c) Reciprocal relationship is found between price and quantity demanded
  - (d) All of the above
3. Which of the following is the basic characteristic of Oligopoly ?
  - (a) a few sellers, one buyer
  - (b) a few sellers, many buyers
  - (c) a few sellers, a few buyers
  - (d) many sellers, a few buyers



4. Which of the following taxes is a progressive tax ?
  - (a) income tax
  - (b) custom tax
  - (c) sales tax
  - (d) excise duty
  
5. In India, inflation is measured by :
  - (a) wholesale price index number
  - (b) consumer price index for urban non-manual workers
  - (c) consumer price index for agricultural workers
  - (d) national income deflation
  
6. National income is the :
  - (a) Net National product at market price
  - (b) Net National product at factor cost
  - (c) Net domestic product at market price
  - (d) Net domestic product at factor cost
  
7. What happens to marginal cost when average cost increases ?
  - (a) Marginal cost is below average cost
  - (b) Marginal cost is above average cost
  - (c) Marginal cost is equal to average variable cost
  - (d) Marginal cost is equal to average cost
  
8. Which of the following is known as plastic money ?
  - (a) bearer cheques
  - (b) credit cards
  - (c) demand drafts
  - (d) gift cheques



9. Which one of the following statements is correct ? The production possibility curve under increasing opportunity cost is :
- concave to the origin
  - convex to the origin
  - a straight line parallel to the x - axis
  - a straight line parallel to the y-axis
10. A firm is said to be of optimum size when :
- average total cost is at a minimum
  - marginal cost is at a minimum
  - marginal cost is equal to marginal revenue
  - the firm is maximizing its profit

**SECTION – B**[ Marks :  $6 \times 4 = 24$  ]**(Short Answer Type Questions)**

- What do you understand by engineering economics ? Explain its scope.
- Explain the concept of elasticity of supply .
- Explain cross elasticity of demand.
- How a firm will be able to achieve its equilibrium under monopoly ?
- Discuss the functions of Reserve Bank of India.
- Discuss the law of demand.

**SECTION – C**[ Marks :  $12 \times 3 = 36$  ]**(Long Answer Type Questions)**

- Discuss price elasticity of demand. Also discuss the methods of measuring price elasticity.





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2. State and explain the law of variable proportion.
  3. What is average and marginal cost ? Explain the relationship between average cost and marginal cost.
  4. Discuss the methods of measuring national income.
  5. How inflation can be treated in economy ? Discuss the methods in detail.
  6. Write a note on Indian tax system.
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