

NATIONAL INSTITUTE OF TECHNOLOGY, KURUKSHETRA
THEORY EXAMINATION
QUESTION PAPER (Regular)

Month and Year of Exam: December, 2018

Roll No. _____

Programme: B.TECH.

Semester: 1st/2nd

Subject: Economics for Engineers

Maximum Marks: 50

Course Code: HSIR-12

Time Allowed: 3 Hours

Total number of questions: 6.

Candidates before starting to write the solutions, should please check the question paper for any discrepancy, and also ensure that they have been delivered the question paper of right course number and right subject title. Immediately report the discrepancy, if any, and sort it out.

Note: 1. Attempt **any five** questions.

2. All questions carry equal marks.

I. What do you mean by law of demand? Discuss the causes for downward sloping of a demand curve. Also, discuss its exceptions. (10)

II. Explain the law of variable proportions in detail. Which is the best stage in this law and why? (10)

III. Write short notes on the following:

i) Factors of production. (5)

ii) Average cost and marginal cost in short run and long run. (5)

IV. i) A small business with an initial outlay of Rs. 12,000 yields Rs. 10,000 during the first year of its operation and the yield increases by Rs. 1,000 from its second year of operation up to its tenth year of operation. At the end of the life of the business, the salvage value is zero. Find the present worth of the business by assuming an interest rate of 18%, compounded annually. (5)

ii) A company is trying to diversify its business in a new product line. The life of the project is 10 years with no salvage value at the end of its life. The initial outlay of the project is Rs. 20,00,000. The annual net profit is Rs. 3,50,000. Find the rate of return for the new business. (5)

V. Discuss the following concepts:

i) Fiscal policy – its meaning and objectives. (5)

ii) Survey techniques of demand forecasting. (5)

VI. Define monetary policy. Discuss in detail, the objectives and significance of monetary policy with reference to India. (10)