ADAMAS UNIVERSITY PURSUE EXCELLENCE	**ADAMAS UNIVERSITY** **END-SEMESTER EXAMINATION : JANUARY 2021** (Academic Session: 2020 – 21)

Name of the Program:	B. Tech	**Semester:**	IV
Paper Title :	Economics for Engineers	**Paper Code:**	HEC42180
Maximum Marks :	40	**Time duration:**	3 Hours
Total No of questions:	12	**Total No of Pages:**	2
Instruction to the Candidate:	**1.** At top sheet, clearly mention Roll No., Enrolment No, Program, Semester, Paper Name & Code, Date of Exam. **2.** All parts of a Question should be answered consecutively. Each Answer should start from a fresh page. **3.** Assumptions made if any, should be stated clearly at the beginning of your answer.		

Answer all the Groups

Group A

(Answer **ALL** *the questions)*

1×5=5

1. Consumer surplus is best defined as: – [CO1]

   a. The difference between consumer's spending and revenue earning of the producer
   b. The additional benefit consumer obtains when the price they are willing to pay is greater than the price they are actually paying
   c. The total benefit derived by consumers when markets is in equilibrium
   d. None of the above

2. When Mrs. X's income increased by 10%, her quantity demanded of chocolates increased by 5%. What kind of good does Mrs.X consider chocolates to be? [CO2]

   a. Inferior good
   b. Luxury items
   c. Normal good
   d. Giffen item

3. Suppose that a regulation is in place that does not allow the price of a good to exceed $5. If this price is below the equilibrium price in the market, this would be an example of a: [CO1]

   a. binding price ceiling.
   b. not binding price ceiling.

c. binding price floor.
d. not binding price floor.

4. There exist large number of buyers and sellers and each seller is a price taker under: -

a. Monopolistic market [CO2]
b. Monopoly
c. Perfect Competition d. Oligopoly

5. Market failure occurs when there exist [CO2]

a. Market Power
b. Externalities
c. Both a & b
d. None of the above

Group B

(Answer any **THREE** *questions)*

5×3=15

6. Define price elasticity of demand. Suppose the quantity demanded of a commodity rises from 1000 to 1500 units when the price falls from $1.50 to $1.00 per unit. Calculate the price elasticity of demand for this product. [CO1]

7. The points inside the PPF are inefficient points. Explain why? [CO2]

8. Why does an investor want to hold a portfolio? [CO3]

9. Explain consumer equilibrium with diagram. [CO2]

Group C

(Answer any **TWO** *questions)*

10×2=20

10. What do you mean by risk? How can we differentiate among people depending upon their attitude towards risk? Define risk premium. Arrange the assets in decreasing order of liquidity. (2+3+2+3) [CO3]

11. State and explain the features of an Oligopolistic market. [CO2]

12. Explain the market equilibrium in short run under monopolistic competition with the help of a diagram. [CO2]