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V Semester  
B.Tech

MID TERM EXAMINATION

HU 301 Engineering Economics

Time: 1.30 Hours

Max.Marks: 25

Sept 2022

Roll No 22K2201EN/60

Note: All questions are compulsory

All questions carry equal marks.

Assume suitable missing data, if any.

Q1. (a) What is law of Demand? What are the exceptions to the law of demand? [2.5 Marks]

(b) Define Cross elasticity of demand and if cross price elasticity of demand for good X & Y is equal to -1.5 what is the relationship between goods X & Y. if the price of Y increases by 10% what is the percentage change in quantity demanded of X.

[2.5 Marks] [ CO: 1]

Q2. (a) Explain the law of equi marginal utility and determine the consumer's equilibrium using given information

[5 Marks] [CO: 1]

Price of X = Rs.4

Price of Y = Rs.5

Total money income = Rs. 35

No of units consumed	MU <sub>x</sub>	MU <sub>y</sub>
1	40	55
2	36	50
3	32	30
4	28	20
5	24	15
6	20	5

Q3. What is monetary policy? Explain the tools of monetary policy to control inflation. [5 Marks] [CO: 2, 3]

Q4. (a) Explain the likely behavior of Total product and marginal product when only one input is increased for increasing production while all other inputs are kept constant. [2.5 Marks]

(b) What is the meaning of market in economics and what are various forms of market. [2.5 Marks] [CO: 1,2]

Q5. Write short notes on any 2 of the following:

- (a) Free trade and protectionism
- (b) Dumping
- (c) Balance of payment and Balance of Trade
- (d) Direct taxes and indirect taxes [ 5 Marks] [ CO: 3,4]