

Reg No.: _____

Name: _____

APJ ABDUL KALAM TECHNOLOGICAL UNIVERSITY

B.Tech Degree S5 (R,S) (FT/WP) Examination November 2025 (2019 Scheme).

Course Code: HUT300**Course Name: INDUSTRIAL ECONOMICS & FOREIGN TRADE**

Max. Marks: 100

Duration: 3 Hours

PART A*(Answer all questions; each question carries 3 marks)***Marks**

- | | | |
|----|---|-----|
| 1 | Why is Economics referred to as "Oikonomikos" | (3) |
| 2 | What is the significance of Opportunity Cost in allocation of resources? | (3) |
| 3 | What is MOS? What happens when MOS is low? | (3) |
| 4 | List out the cases of Returns to Scale. | (3) |
| 5 | What are the features of Oligopoly? | (3) |
| 6 | What is Non Price Competition? List out the two forms of non price competition. | (3) |
| 7 | How is Per capita Income calculated? | (3) |
| 8 | What are the methods of measuring National Income? | (3) |
| 9 | Describe Free Trade and its advantages? | (3) |
| 10 | Distinguish between Balance of Payments & Balance of Trade? | (3) |

PART B*(Answer one full question from each module, each question carries 14 marks)***Module -1**

- | | | |
|----|--|-----|
| 11 | a) What is Production Possibility Curve? With the help of a production possibility curve, explain i) Under utilization of resources ii) Full employment of resources | (7) |
| | b) What is Cross Elasticity of Demand? Suppose cross elasticity of demand between X and Y is 0.5. If there is a 50 percent change in the price of Y, what will be the percentage change in the quantity demanded of X? | (7) |

OR

- | | | |
|----|--|-----|
| 12 | a) What is Deadweight Loss of a Tax? Estimate the Consumer and Producer Surplus before and after a tax with the help of a diagram. | (7) |
| | b) Define Cross Elasticity of Demand. A tea manufacturing company was able to sell 8000 kg of tea when the price of coffee was Rs.70 per kg. Later they were able to sell 9000 kg when the price of coffee became Rs. 80 per kg. Calculate the | (7) |

cross elasticity of demand for tea. Are the two commodities substitutes or complements? Give reason.

Module -2

- 13 a) How will you explain Producer's Equilibrium with the help of an Isoquant and Isocost line? (7)
- b) The owner of Old-Fashioned Berry Pies, S. Simon, is contemplating adding a new line of pies, which will require leasing new equipment for a monthly payment of Rs. 6,000/-. Variable cost would be Rs. 2.00 per pie, and pies would retail for Rs. 7.00 each. (7)
- a) How many pies must be sold in order to break even?
- b) What would the profit/loss be if 1,000 pies are made and sold in a month?
- c) How many pies must be sold to realize a profit of Rs. 4,000?

OR

- 14 a) State the Law of variable proportions. Explain the three types of factor productivities in short run production. (7)
- b) If the production function of a firm is $Q = 10 L^{\frac{1}{2}} K^{\frac{1}{2}}$, Find out the maximum output that can be produced, if 144 units of Labour is combined with 169 units of Capital. Also calculate the Average and Marginal Product of Labour from the function. (7)

Module -3

- 15 a) Describe Market Structure. What are the classifications of market structure? How do market structures affect the economy? (7)
- b) Distinguish between Cartel & Collusive agreement under oligopoly. (7)

OR

- 16 a) What are the features of Monopoly? Make a comparison between Price Discrimination and Dumping. (7)
- b) Describe the Pricing of a Product in economics? Explain the different methods used for pricing. (7)

Module -4

- 17 a) From the data given below estimate the NDP, using Income method and (7)
Expenditure method.

Consumption expenditure	3000
Investment expenditure	2000
Government expenditure	700
Exports	600
Import	300
Wages and salaries	2000
Rent	500
Interest	500
Profit	1000

- b) What is inflation? Explain briefly the different types of inflations. (7)

OR

- 18 a) From the data given below estimate Gross National Product, Net National (7)
Product and National income.

GDP	5000 (in 100 billion)
NFIA	-50
Indirect Tax	70
Subsidies	20
Depreciation	30

- b) What is National income? With the help of a diagram, explain multi sector (7)
models for circular flow of income.

Module -5

- 19 a) What is International trade? List out the advantages & disadvantages of foreign (7)
trade.
b) What is Protection? State any five arguments in favour of protection. (7)

OR

- 20 a) Describe Trade barriers and its types? Explain its impact on the economy. (7)
b) Explain Absolute advantage theory and Comparative cost theory. Point out any (7)
one criticism of both theories.
