

Reg No.: _____

Name: _____

APJ ABDUL KALAM TECHNOLOGICAL UNIVERSITY

B.Tech Degree S6 (S,FE) (FT/WP/PT) Examination December 2025 (2019 Scheme)

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

Max. Marks: 100

Duration: 3 Hours

PART A*Answer all questions, each carries 3 marks.*

Marks

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|----|---|-----|
| 1 | Explain the concept of Price Elasticity of Demand with its equation. | (3) |
| 2 | State and explain the Law of Diminishing Marginal Utility. | (3) |
| 3 | What is a Production Function? Explain briefly. | (3) |
| 4 | Differentiate between Explicit and Implicit Costs with suitable examples. | (3) |
| 5 | Define Monopoly and mention one of its key features. | (3) |
| 6 | What is Predatory Pricing? Explain it with an example. | (3) |
| 7 | Draw a neat diagram showing the Circular Flow of Economic Activities in a Two-Sector Economy. | (3) |
| 8 | State three differences between the Money Market and the Capital Market. | (3) |
| 9 | Define Balance of Payments and mention its two main components. | (3) |
| 10 | What is a Tariff? Give one economic effect of imposing tariffs. | (3) |

PART B*Answer one question from each module, each carries 14 marks.***Module I**

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|----|---|------|
| 11 | a) Explain the concept of the Production Possibility Curve (PPC) and illustrate it with a suitable diagram. Discuss how the curve shows the problems of scarcity, choice, and opportunity cost in an economy. | (10) |
| | b) What is the difference between a sole proprietorship and a partnership? | (4) |

OR

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|----|--|------|
| 12 | a) Explain how demand and supply determine the price and quantity of a commodity in the market. Support your answer with a suitable diagram. | (10) |
| | b) The demand function of a product is given as $D = 60 - 4P$, and the supply function is $S = 10 + 2P$. | (4) |
| | 1. Find the equilibrium price and equilibrium quantity of the product. | |
| | 2. Find the demand of the product when the price is ₹5. | |

Module II

- 13 a) Explain the Law of Variable Proportions with the help of a suitable diagram. (10)
Discuss its three stages and mention its importance in production.
- b) Explain the concept of an Isoquant with the help of a diagram. (4)

OR

- 14 a) Why is the Average Cost (AC) curve U-shaped in the short run? Explain the reasons for its shape with the help of a suitable diagram. (10)
- b) A company sells a product at ₹200 per unit. The variable cost per unit is ₹120, and the fixed costs are ₹16,000. Calculate the Break-Even Quantity. Also, interpret what this figure means for the company. (4)

Module III

- 15 a) Explain the features of Monopolistic Competition. Discuss the short-run and long-run equilibrium of a firm under monopolistic competition, highlighting how a firm earns supernormal profit in the short run. (14)

OR

- 16 a) Explain the concept of oligopoly and describe the kinked demand curve model. (10)
How does this model help to explain price rigidity under oligopoly?
- b) Differentiate between Penetration Pricing and Price Skimming. (4)

Module IV

- 17 a) Explain the various methods of measuring national income. Discuss the steps involved in each method. (10)
- b) Differentiate between Final Goods and Intermediate Goods. (4)

OR

- 18 a) Explain the concept of inflation and discuss its major causes and effects on the economy. (10)
- b) Using the Expenditure Method, calculate the GDP at Market Price of a country from the following data: Private Consumption Expenditure = ₹4,500 crore
Government Expenditure = ₹1,200 crore, Gross Domestic Capital Formation (Investment) = ₹800 crore, Exports = ₹600 crore, Imports = ₹400 crore. (4)

Module V

- 19 a) Explain the advantages and disadvantages of international trade. (10)

- b) Explain the concept of Devaluation and discuss its effects on a country's economy. (4)

OR

- 20 a) Explain the Heckscher–Ohlin theory of international trade and its key assumptions. (10)
- b) Differentiate between Free Trade and Protection. (4)
