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Name:

# APJ ABDUL KALAM TECHNOLOGICAL UNIVERSITY

Fifth Semester B.Tech Degree Examination December 2021 (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	What are the basic economic problems?	3
2	Explain Production Possibility Curve.	3
3	Define expansion path.	3
4	What is margin of safety .What happens when margin of safety is low?	3
5	What is collusive oligopoly?	3
6	What is price skimming?	3
7	How is GDP calculated?	3
8	Distinguish between Money market and Capital market.	3
9	What is free trade?	3
10	What is Devaluation	3

#### PART B

#### (Answer one full question from each module, each question carries 14 marks)

#### Module -1

11	a)	List out the advantages and disadvantages of Joint Stock Company.				
	b)	Define cross elasticity of demand. A tea manufacturing company was able to	7			
		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 cross elasticity of demand for tea. Are the two commodities substitutes or				
		complements? Give reason.				

### OR

- 12 a) Define price elasticity of demand. A company producing soft drink is selling its 7 product for Rs. 22. It sells 1000 units, and then increases the price to Rs.24. Now sales fall to 900 units. What is the price elasticity of soft drink? Is the demand elastic or inelastic? Why?
  - b) With the help of diagram explain Deadweight loss.

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## Module -2

13	a) Explain Law of variable proportion with a diagram.							
	b)	Explain Marginal revenue and Average revenue in Perfect competition and	7					
		imperfect competition with graph.						
		OR						
14	a)	Define Isoquant curve. Explain the properties of Isoquant curve.						
	b)	The total sales of a manufacturing firm is Rs 20000 in this year. Its variable	7					
		costs are Rs 8000 while its fixed costs are Rs 6000 for that year. Find the						
		breakeven point of this firm.						
		Module -3						
15	a)	Distinguish between monopoly and oligopoly.	7					
	b)	With the help of a diagram, explain equilibrium under monopolistic	7					
		competition.						
		OR						
16	a)	Explain kinked demand curve model.						
	b)	Which are the different types of Non price competition under Oligopoly.	7					

#### Module -4

- 17 a) Explain Circular flow of income in two sector model and four sector model. 7
  - b) From the data given below estimate the NDP, using income method and 7 expenditure method.

Items	(Rs .Crores)
Consumption expenditure	3000
Investment expenditure	2000
Government expenditure	700
Exports	600
Import	300
Intermediate Consumption	2000
Wages and salaries	2000
Rent	500
Interest	500
Profit	1000
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18 a) What are the different methods used to control Inflation.

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	b)	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					
Module -5										
19	a) What is international trade? List out the advantages of Foreign trade?					7				
	b)	) What are tariff barriers? Explain its impact on the economy.							7	
	OR									
20	a)	What are the arg	guments in fav	vour of fre	ee trade	?				7
	b)	b) Explain absolute advantage theory with the help of an example.						7		
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