Reg. No. : ....

Name : ....

V Semester B.Tech. Degree (Reg./Sup./Imp. – Including Part Time) Examination, November 2014
(2007 Admn. Onwards)
PT2K6/2K6EC/CS/IT/AEI 502 : ECONOMICS AND BUSINESS MANAGEMENT

Time : 3 Hours   Max. Marks : 100

Answer **all** the questions :

I. a) Define micro-economics and discuss its importance and limitations.   5

   b) Explain the proprietorship form of business.   5

   c) What is meant by the term 'elasticity of supply' ? How is it measured ?   5

   d) Enumerate the various methods of demand forecasting.   5

   e) State the law of variable proportions and list the assumptions of the law.   5

   f) Comment on the advantages of 'economies of large-scale production'.   5

   g) Discuss the term Market form or market structure.   5

   h) What are the basic functions of money ?   5

II. a) "Economics is a science and an art". Critically evaluate the statement.   10

   b) What are the fundamental problems which an economy has to tackle ?   5

         OR

   c) How a Joint Stock Company organised ? Differentiate between a Joint Stock Company and State Enterprise.   15

III. a) State and explain the law of diminishing marginal utility with the help of a diagram. What are its limitations ?   8

   b) What are the three types of demand ? Explain why demand curve slopes downwards.   7

         OR

   c) i) Define the term elasticity of demand.   5

     ii) What are the different types of elasticities ?   5

     iii) What are the different factors determining elasticity ?   5

IV. a) Define 'factors of production' and discuss the Cobb-Douglas production function. **7**

   b) Explain and illustrate isoquant curve and list the properties of isoquants. **8**

   OR

   c) Explain the term 'returns to scale'. **5**

   d) Explain with the help of an example the graphical method of linear programming. What are the special cases regarding the solutions generated ? **10**

V. a) Define monopoly. Explain how price is determined under monopoly. Indicate the difference between competitive price and monopoly price. **15**

   OR

   b) Write notes on the following :

   i) Role of price mechanism in a competitive economy. **5**

   ii) Comparison of money market and capital market. **5**

   iii) Functions of commercial banks. **5**