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Question Paper Code: R2C06

B.E. / B.Tech. DEGREE EXAMINATION, MAY 2024

Second Semester

Computer Science and Business Systems

R21UCB206- INTRODUCTION TO ECONOMICS

(Regulations R2021)

Duration: Three hours

Maximum: 100 Marks

Answer ALL Questions

PART A - (10 x 1 = 10 Marks)

1. Microeconomics is concerned with CO1 -U
 - (a) The economy as a whole
 - (b) Different sectors of an economy
 - (c) The study of individual economic units behavior
 - (d) The interactions within the entire economy

2. Elasticity of demand is equal to one indicates CO1 -U
 - (a) Unitary Elastic Demand
 - (b) Perfectly Elastic Demand
 - (c) Perfectly Inelastic Demand
 - (d) Relatively Elastic

3. Choice is always constrained or limited by the _____ of our resources. CO1 -U
 - (a) Scarcity
 - (b) Supply
 - (c) Demand
 - (d) Abundance

4. Increase in demand is caused by CO1 -U
 - (a) Increase in tax
 - (b) Higher subsidy
 - (c) Increase in interest rate
 - (d) decline in population

5. Which of the following is not a Commodity Tax CO1 -U
 - (a) Excise duty
 - (b) Customs Duty
 - (c) Coporation Tax
 - (d) Octroi

6. An endowment is exogenous if CO1 -U
 - (a) agents produce it
 - (b) it is not taken as given.
 - (c) a production function is assumed
 - (d) no assumption about its origin is made

7. The subject of the Study of Macro Economics is CO1 -U
 (a) The Principle of National Income (b) The Principle of Consumer
 (c) The Principle of Producer (d) None of these
8. The concept of multiplier was first developed by CO1 -U
 (a) MKeynes (b) FAKhan (c) JDClark (d) Samuelson
9. Which of the following is the credit money? CO1 -U
 (a) Cheque and draft (b) Promissory note (c) Exchange note (d) All of these
10. Which one is included in the primary function of money? CO1 -U
 (a) Medium of Exchange (b) Measure of Value
 (c) Both(a) and(b) (d) Store of Value

PART – B (5 x 2= 10 Marks)

11. State the difference between a normal good and an inferior good CO1-U
12. Define Target Marketing CO1-U
13. Outline the concept of scarcity in economics. CO1-U
14. Distinguish between microeconomics and macroeconomics. CO1-U
15. Give some examples of Commodity Markets. CO1-U

PART – C (5 x 16= 80 Marks)

16. (a) Discuss the concept of the supply curve for firms. CO2 - App (16)
 Or
 (b) Employ the different degrees of Price Elasticity of Supply. CO2 - App (16)
17. (a) Employ the importance of Consumer Behaviour, types and its characteristics. CO2 - App (16)
 Or
 (b) Which are some of the applications of demand curves in analyzing market behavior and government policies? CO2 - App (16)
18. (a) Analyze the concept of cost minimization by firms in the production process. CO3 - Ana (16)
 Or
 (b) Analyze the relationships between these cost curves and their graphical representations. CO3 - Ana (16)

19. (a) Explain how changes in consumption and investment affect aggregate demand and output in the short run. CO1 - U (16)
- Or
- (b) Explain in detail about Taxes and Subsidies External Sector. CO1 - U (16)
20. (a) Analyze the roles of the central bank and the government in conducting monetary and fiscal policy. CO3 - Ana (16)
- Or
- (b) Analyze the transmission mechanisms through which changes in the money supply and government spending influence aggregate demand and output. CO3 - Ana (16)

