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Question Paper Code: R2C06

B.E. / B.Tech. DEGREE EXAMINATION, NOV 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. 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
2. Who is the Father of Economics CO1- U
(a) Max Muller (b) Adam Smith (c) Karl Marx (d) Paul A Samuelson
3. Choice is always constrained or limited by the _____ of our resources. CO1- U
(a) Scarcity (b) Supply (c) Demand (d) Abundance
4. The concept of elasticity of demand was introduced by CO1- U
(a) Ferguson (b) Keynes (c) Adam Smith (d) Marshall
5. Which of the following is not a Commodity Tax CO1- U
(a) Excise duty (b) Customs Duty (c) Coporation Tax (d) Octroi
6. Isoquants are equal to CO1- U
(a) Product Lines (b) Total utility lines
(c) Cost lines (d) Revenue lines
7. Calculation of National Income at Market Prices is known as _ CO1- U
(a) Money income (b) Real income (c) Non-monetary income (d) None of these

8. The concept of multiplier was first developed by CO1-U
 (a) M Keynes (b) F A Khan (c) J D Clark (d) Samuelson
9. Which of the following is not a function of money? CO1- U
 (a) Medium of exchange (b) Price stability
 (c) Store of value (d) Unit of account
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= 10Marks)

11. Distinguish goods from services. CO 1-U
12. State the advantages of Market Segmentation. CO 1-U
13. Define Income effect and also tell how does it affects quantity CO 1-U
14. Explain the factors in Tax and Subsidies CO 1-U
15. Explain the relationship between interest rates and monetary policy. CO 1-U

PART – C (5 x 16= 80Marks)

16. (a) Explain in detail about the role of supply in product and output market. CO1 - U (16)
 Or
 (b) Explain about the different degrees of Price Elasticity of Demand. CO1 - U (16)
17. (a) Explain how consumers make decisions based on their preferences and budget constraints. CO1 - U (16)
 Or
 (b) Explain the process of deriving a demand curve for a good or service. CO1 - U (16)
18. (a) Apply the concepts of total, average, and marginal costs to analyze cost curves in both the short run and long run. CO2 - App (16)
 Or
 (b) Use graphical representations to illustrate the relationships between these cost curves. CO2 - App (16)

19. (a) Discuss in detail about Simple Keynesian Model of Income Determination. CO1 - U (16)
- Or
- (b) Explain how changes in consumption and investment affect aggregate demand and output in the short run. CO1 - U (16)
20. (a) Explain how money is supplied in an economy, focusing on the role of banks and the credit creation process. CO1 - U (16)
- Or
- (b) Explain in detail about the Monetary Policy also its types advantages and limitations. CO1 - U (16)

