

# **Engineering Economics**

## **HUM-201-F (Question Bank)**

### **Chapter 1. Economics: An Introduction**

- Q.1 Explain the Adam Smith's definition of economics. What are the critics of the definition?
- Q.2 Economics is the study of mankind in the ordinary business of life 'Explain
- Q.3 Which of the definitions given by prof. Marshall and prof. Robins do you think better and why?
- Q.4 Explain the meaning and nature of economic problem.
- Q.5 Explain the concept of production possibility curve with suitable diagram.
- Q.6 What are economic laws? Explain their nature.
- Q.7 Distinguish between Micro economics and macro economics.
- Q.8 How does economics contribute in the field of engineering and technology?
- Q.9 What is the relationship between engineering and economics?
- Q.10 What is the role of engineering in economic development?

### **Chapter 2. Cardinal Utility Analysis**

- Q.1 Define law of equi-marginal utility. What is its practical application and importance?
- Q.2 Explain the law of diminishing marginal utility with its practical importance and application.
- Q.3 How is utility analysis helpful in studying consumer behaviour? Discuss.
- Q.4 What is utility? Discuss the relationship between total utility and marginal utility.
- Q.5 Explain the concepts of total utility and marginal utility. Also explain their relationship.

### **Chapter 3. Theory of Demand**

- Q.1 Explain law of demand. Why demand curve slopes downwards?
- Q.2 Discuss the conditions under which increase in price leads to increase in demand.
- Q.3 Explain the meaning and determinants of demand.
- Q.4 What are the factors affecting demand?

### **Chapter 4. Elasticity of demand**

- Q.1 What is Elasticity of Demand? What factors determine elasticity of demand?
- Q.2 What is price elasticity of demand? Explain the various methods of measuring price elasticity.
- Q.3 Explain the methods of measurement of elasticity of demand.

### **Chapter 5. Theory of Production**

- Q.1 Explain the law of variable proportions with the help of a table and diagram.
- Q.2 What is the theory of production? Give special reference to laws of return and laws to returns to scale.
- Q.3 What is production function? Explain in detail the three stages of return to scale.
- Q.4 Distinguish between external and internal economies of scale.

## **Chapter 6. Theory of Cost**

- Q.1 What is cost of production? Distinguish between fixed cost and variable costs.
- Q.2 Explain the relationship between average cost and marginal cost with the help of a table and diagram.
- Q.3 What do you know about long run average cost curve? Why is the long run average
- Q.4 Cost curve U shaped?
- Q.5 Discuss short run average cost curves.
- Q.6 Explain the concept of fixed cost, Variable cost, AFC, AVC, and MC. Use tables and diagrams to explain your answer.

## **Chapter 7. Supply and Law of Supply**

- Q.1 What do you mean by supply? What are the factors influencing it?
- Q.2 Define equilibrium. What are the conditions for disequilibrium?
- Q.3 Explain the law of supply. What is the major factor that influences supply?
- Q.4 Explain the expansion and contraction of supply with suitable diagram.

## **Chapter 8. Price Determination under perfect Competition**

- Q.1 What is perfect competition? Discuss the conditions of perfect competition?
- Q.2 Distinguish between market price and normal price.
- Q.3 Explain the importance of time element in the determination of price under perfect competition.
- Q.4 Give features of perfectly Competitive Market.

## **Chapter 9. Price determination under monopoly**

- Q.1 What are the main features of Monopoly? Explain the equilibrium of the firm under Monopoly in the short run as well as long run.
- Q.2 How is price under monopoly determined? How would you differentiate competitive price from monopoly price?
- Q.3 Differentiate between monopoly and perfect competition. Should monopolies be controlled and regulated?
- Q.4 How prices are determined under Price-discrimination?

## **Chapter 10. Price determination under monopolistic competition**

- Q.1 Discuss the meaning and main features of monopolistic market situation. How is price and output determined under it?
- Q.2 What is Monopolistic Competition? Explain the equilibrium of the firm under it.
- Q.3 What are selling costs? How do they influence the equilibrium of a firm operating under it?
- Q.4 What is product differentiation?

## **Chapter 11. Determination of price**

- Q.1 Explain the role of demand and supply in price determination.
- Q.2 How is the equilibrium price determined? Explain with a suitable diagram.

## **Chapter 12. Nature and Characteristics of Indian Economy**

Q.1 Describe Indian economy as a mixed economy.

Q.2 Describe Indian economy as a rich and poor country.

## **Chapter 13. Globalisation and Privatisation**

Q.1 Indian economy is moving towards globalisation. Explain and state the merits and demerits of globalisation.

Q.2 Indian economy is moving towards privatisation. Explain the merits and demerits of privatisation.

Q.3 Explain the meaning and objectives of economic reforms.

## **Chapter 14. Elementary concepts of VAT, WTO, GATT & TRIPs**

Q.1 What is meant by value added tax (VAT) ? How it is computed?

Q.2 What are the functions of World Trade Organisation (WTO)? Explain its merits and demerits.

Q.3 Write a note on General Agreements on Trade and Tariff (GATT).

Q.4 what is meant by Trade Related Intellectual Property Rights? What is the likely? Effect of TRIPs on Indian economy?