



REGISTRATION NUMBER 

--	--	--	--	--	--	--	--	--

## SRINIX COLLEGE OF ENGINEERING

1<sup>ST</sup> INTERNAL EXAMINATION-2018-19

Subject-**Engineering Economics**

Semester-**3<sup>rd</sup>**

Branch-**MECH+CIVIL**

Full Mark-**50**

Time-**2.00Hrs**

**ANSWER ALL THE QUESTIONS (GROUP-A)**

**[2x5=10]**

A. The horizontal demand curve parallel to x-axis implies that the elasticity of demand is:

1. Zero
2. Infinite
3. Equal to one
4. Greater than zero but less than infinity

B. In which of the following market structure is the degree of control over the price of its product by a firm very large?

- a. Imperfect competition
- b. Perfect competition
- c. Monopoly
- d. In (a) and (b) both

C. Demand-pull inflation occurs when:

- A) imports exceed exports.
- B) aggregate demand rises more rapidly than the economy's productive potential.
- C) both a and b.
- D) neither a nor b.

D. The cost of one thing in terms of the alternative given up is called:

- (i) Real cost
- (ii) Production cost
- (iii) Physical cost
- (iv) Opportunity cost

E. In which of the following market structure is the degree of control over the price of its product by a firm very large?

- (i) Imperfect competition
- (ii) Perfect competition
- (iii) Monopoly
- (iv) In A and B both

**ANSWER ALL THE QUESTIONS (GROUP-B)**

**[2X10=20]**

1. **What is commercial bank?**
2. What do you mean by margin of safety?
3. Why demand curve slopes downward from left to right?
4. What is a demand function?
5. Define law of supply?
6. What is inflations?
7. What do you mean by point of equilibrium?
8. What is cross elasticity of demand?
9. Define cross elasticity?
10. What is a giffen goods?

**ANSWER ANY TWO QUESTIONS (PART-C)**

**[10X2=20]**

1. Explain the linear break even analysis with limitations.
2. Explain the determinants of demand?
3. Explain the function of RBI.