

BACHELOR OF TECHNOLOGY (CBCS - 2023)
B. Tech. Sem-II Computer Science & Business Systems : WINTER: 2025
SUBJECT: FUNDAMENTALS OF ECONOMICS

Day : Tuesday
Date : 02/12/2025

W-27711-2025

Time : 10:00 AM-01:00 PM
Max. Marks : 60

- NB :
1. Assume suitable data, if necessary.
 2. Draw neat labelled diagrams WHEREVER necessary.
 3. Figures to the right indicate FULL marks for the question.
 4. All questions are COMPULSORY.
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- Q. 1 Define elasticity of supply. What factors influence it? Analyze how it affects producer decisions in different market conditions. (10)
- OR**
- Q. 1 Distinguish between a shift of a curve and a movement along the curve for both demand and supply. Use graphical illustrations to support your answer (10)
- Q. 2 Differentiate between the substitution effect and the income effect. How do they influence the demand for normal and inferior goods? (10)
- OR**
- Q. 2 Explain the differences between short-run and long-run costs with relevant industry examples. (10)
- Q. 3 What is monopolistic competition? Compare it with perfect competition and monopoly. Explain the role of product differentiation. (10)
- OR**
- Q. 3 Define total cost, average cost, and marginal cost. Explain how these cost concepts are derived and interpreted from total cost curves. (10)
- Q. 4 Analyze the impact of fiscal policy on aggregate demand and economic growth. How can governments use it as a tool for economic stabilization? (10)
- OR**
- Q. 4 Explain the concept of net exports. Analyze how fluctuations in exchange rates influence net exports and aggregate demand. (10)
- Q. 5 What is the bank credit creation multiplier? Discuss its significance in shaping money supply and market behavior. (10)
- OR**
- Q. 5 Define business cycles and explain their phases. Evaluate the primary causes of business cycle fluctuations. (10)
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- Q. 6 What are price and wage rigidities? Discuss the economic reasons behind these rigidities. (10)
- OR**
- Q. 6 Differentiate between voluntary and involuntary unemployment. How do these concepts inform government policy? (10)
