

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

Day : Tuesday  
Date : 03/06/2025

S-27711-2025

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

**N.B.**

- 1) All questions are **COMPULSORY**.
- 2) Figures to the **RIGHT** indicate **FULL** marks.
- 3) Assume suitable data **WHEREVER** necessary.
- 4) Draw neat diagrams **WHEREVER** necessary.

**Q.1** Using supply and demand diagram, explain the difference between a movement along a curve and a shift of a curve. (10)

**OR**

**Q.1** Define consumer surplus and producer surplus. How are they represented on a supply and demand diagram? (10)

**Q.2** Describe the concept of budget constraints. How does a change in income or prices affect the budget constraint? (10)

**OR**

**Q.2** Using a diagram, show how a consumer achieves equilibrium given their budget constraint and indifference curves. (10)

**Q.3** Explain the difference between short-run and long run costs. How the concepts of fixed and variable costs change in the long run. (10)

**OR**

**Q.3** Using a diagram, illustrate and explain the concept of excess capacity on monopolistic competition. Why do firms in such markets typically operate with excess capacity? (10)

**Q.4** Define Gross National Product (GNP) and explain how it differs from Gross Domestic Product (GDP). Provide examples to illustrate these differences. (10)

**OR**

**Q.4** What is the role of investment in an economy? Discuss the different types of investment and their importance for economic growth. (10)

**Q.5** Explain how the LM curve is derived. What factors cause shift in LM curve. (10)

**OR**

**Q.5** Describe the functions of a Central Bank. What role does it play in the economy? (10)

**Q.6** Discuss the impact of wage rigidities on unemployment. How do fixed wages contribute to involuntary unemployment? (10)

**OR**

**Q.6** Critically assess the relevance of classical paradigm in modern economics particularly in the contest of persistent wage and price rigidities. (10)

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