

NATIONAL INSTITUTE OF TECHNOLOGY, KURUKSHETRA  
THEORY EXAMINARION  
QUESTION PAPER

Roll No-----

Month and Year of the Examination : May/June, 2011

Programme : B.Tech

Subject **Engineering Economics**

Course No. **HUT-109**

Number of Questions to be Attempted **5(Five)**.

The question paper has **Eight** questions.

Unless stated otherwise, the symbols have their usual meanings in context with the subject.

Assume suitably and state, additional data required, if any.

The Candidates, before starting to write the solutions, should please check the Question paper for any discrepancy, and also ensure that they have been delivered the question paper of **right course no.** and **right subject title**.

Semester 1<sup>st</sup>/2<sup>nd</sup>

Maximum Marks **50**

Time allowed **3 hours**

Total No. of Pages used: 2

**Note:** (i) Attempt any **five** questions.

(ii) All questions carry equal marks.

✓ **Q1.** Explain the following terms in detail:

- (i) Globalisation
- (ii) Investment

**Q2.** (i) The figures of Production (in thousand quintals) of a sugar factory are given below:

<b>Year:</b>	2000	2001	2002	2003	2004	2005	2006
<b>Production:</b>	80	90	92	83	94	99	92

(in 1000 qtls.)

Using the method of least squares (i) fit a straight line trend to these figures

- (ii) Plot these figures on a graph and show the trend line
- (iii) Estimate production for the year 2012.

(ii) The following information is given about advertising & sales:

Adv. Exp. (x)	Sales (y)
(Rs. lakhs)	(Rs. lakhs)

Mean 10	90
S.D. 3	12

Correlation coefficient  $(r) = 0.8$

- (a) Calculate the two regression lines.
- (b) Find the likely sales when Advertising Expenditure is Rs. 15 lakhs.
- (c) What should be Advertising Expenditure if the company wants to attain sales target of Rs. 120 lakhs?
- (d) Calculate the coefficient of determination  $(r^2)$ .

**Q3.** Critically examine the law of variable proportions.

$y - 90 = \frac{92 - 90}{12 - 10} (x - 10)$



✓ **Q4.** Explain the following terms:

- (i) Money cost and Opportunity cost
- (ii) Average cost (Short-Run & Long Run)

**Q5.** What do you understand by the term Monopoly? Discuss the determination of price and output under Monopoly.

**Q6.** Define a commercial bank. Also describe various functions of commercial banks.

✓ **Q7.** Describe the meaning & objectives of Economic planning in India. Also discuss the role of planning for the development of Indian Economy.

**Q8.** Write short-notes on any two of the following:-

- (i) Factors of Production.
- (ii) Degrees of Price elasticity of Demand.
- (iii) Functions of Money.

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