Printed Page:-2 **Subject Code:- CCSBS0206**
Roll. No:

NOIDA INSTITUTE OF ENGINEERING AND TECHNOLOGY, GREATER NOIDA
(An Autonomous Institute Affiliated to AKTU, Lucknow)
B.Tech
SEM: II - THEORY EXAMINATION (2025- 2026)
Subject: Fundamentals of Economics

Time: 2 Hours **Max. Marks: 50**

General Instructions:

IMP: *Verify that you have received the question paper with the correct course, code, branch etc.*
1. *This Question paper comprises of* ***three Sections -A, B, & C.*** *It consists of Multiple Choice Questions (MCQ's) & Subjective type questions.*
2. *Maximum marks for each question are indicated on right -hand side of each question.*
3. *Illustrate your answers with neat sketches wherever necessary.*
4. *Assume suitable data if necessary.*
5. *Preferably, write the answers in sequential order.*
6. *No sheet should be left blank. Any written material after a blank sheet will not be evaluated/checked.*

SECTION-A 15

1. Attempt all parts:-

(1.1) A price floor above equilibrium causes: (CO1, K1) 1
- (a) Shortage
- (b) Surplus
- (c) No effect
- (d) Price fall

(1.2) Isoquant represents: (CO2, K1) 1
- (a) Equal cost
- (b) Equal output
- (c) Equal price
- (d) Equal profit

(1.3) Consumption function shows relation between: (CO3, K1) 1
- (a) Income and consumption
- (b) Price and demand
- (c) Supply and cost
- (d) Investment and output

(1.4) Precautionary demand for money is held mainly for. (CO4, K1) 1
- (a) Unexpected contingencies
- (b) Luxury consumption
- (c) Long-run capital accumulation only
- (d) Imports and exports accounting

(1.5) When people hold more currency and deposit less in banks, money creation tends 1 to. (CO4, K1)

(a) Decrease

(b) Increase sharply

(c) Remain unaffected always

(d) Become infinite

2. Attempt all parts:-

(2.1)	Explain price floor. (CO1, K2)	2
(2.2)	State one difference between monopoly and monopolistic competition. (CO2, K2)	2
(2.3)	Explain significance of calculating marginal propensity to consume. (CO3, K2)	2
(2.4)	Define a subsidy. (CO3, K2)	2
(2.5)	Explain speculative demand for money and its relationship with the interest rate. (CO4, K2)	2

<u>SECTION-B</u> 15

3. Answer any <u>three</u> of the following:-

(3.1)	Distinguish between movement along the demand curve and shift in the demand curve. Illustrate with suitable examples. (CO1, K2)	5
(3.2)	Explain the impact of taxes and subsidies on consumer equilibrium. (CO2, K2)	5
(3.3)	Define production. Explain factors that affects the cost of production in India. (CO2. K2)	5
(3.4)	Explain the consumption function and its determinants. (CO3, K2)	5
(3.5)	Define unemployment. Distinguish between voluntary and involuntary unemployment. (CO4, K2)	5

<u>SECTION-C</u> 20

4. Answer any <u>five</u> of the following:-

(4.1)	Define indifference curve. Explain properties of Indifference curve with examples. (CO1, K2)	4
(4.2)	Define budget constraints. Distinguish between budget line and budget set. (CO1, K2)	4
(4.3)	Explain short run cost curve with a diagram. (CO2, K2)	4
(4.4)	Define monopoly. Discuss characteristics of monopoly with suitable examples. (CO2, K2)	4
(4.5)	Explain Keynesian Multiplier. Discuss its impact on an economy with suitable example. (CO3, K4)	4
(4.6)	Define investment. Suggest few strategies to Government of India to attract foreign investment in India. (CO3, K4)	4
(4.7)	Explain fiscal policy and its role in stabilization. (CO4, L2)	4
(4.8)	Explain the role of central bank in economic stability. (CO4, K2)	4