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**Question Paper Code : 20912**

B.E./B.Tech. DEGREE EXAMINATIONS, NOVEMBER/DECEMBER 2023.

Third Semester

Computer Science and Business Systems

CW 3801 – FUNDAMENTALS OF ECONOMICS

(Regulations 2021)

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Time : Three hours

Maximum : 100 marks

Answer ALL questions.

PART A — (10 × 2 = 20 marks)

1. What is micro economics?
2. How is the market demand curve obtained?
3. Does the marginal utility theory impact demand?
4. What is deadweight loss?
5. What are the assumptions of a perfectly competitive market?
6. What is an Isoquant curve?
7. What are the negative impact of subsidies on an economy?
8. What is Bank credit creation multiplier?
9. What is voluntary unemployment?
10. How does issue of money market instruments impact inflation?

PART B — (5 × 13 = 65 marks)

11. (a) What is elasticity of demand? What are the factors that affect price elasticity of demand?

Or

- (b) State and explain the any FIVE determinants of demand and supply.

12. (a) Examine the impact of government imposed price ceiling and price floor on
- (i) Consumers (6)
  - (ii) Government (7)

Or

- (b) Detail how indifference curves can be used to find consumer equilibrium, in a scenario of budget constraints.
13. (a) Explain the production and costs in the long run. Critically analyze the relationship between short- run and long- run costs.

Or

- (b) (i) What are the characteristics of a monopoly? (3)
- (ii) Discuss how price and output are determined in a monopoly market in the short and long run. (10)
14. (a) (i) Why is National Income a critical measure for an economy? (4)
- (ii) Write short notes on
- (1) GDP (3)
  - (2) GNP (3)
  - (3) NNP (3)

Or

- (b) Using the IS-LM Model explain the equilibrium in the goods and money market.
15. (a) What are various monetary policy measures that can be undertaken by the government? Explain how these impact the economy.

Or

- (b) "Growth in unemployment hinders the development of a nation". Discuss.

**PART C — (1 × 15 = 15 marks)**

16. (a) Explain in detail how various fiscal policies of the Government helped the Indian economy survive the impact of the pandemic.

Or

- (b) Analyse the economic implications of the Russia\_Ukraine war on the Indian economy.