

**GANPAT UNIVERSITY****B. Tech. Sem -IV (Open Elective) CBCS Regular (All Branch)****April - June 2015****2OS401 Economics for Engineers****Time: 3 Hours****Total Marks: 70****Instructions:**

- 1) All questions are **compulsory**.
- 2) Figures to the **right** indicate full marks.
- 3) Answers to the two sections must be written in **separate** answer books.

**Section – I**

- Que. – 1 (A) Define the following terms with respect to monetary policy. 12
1. Cash reserve ratio
  2. Deficit financing
  3. Statutory Liquidity ratio
- (B) How monetary policy is differ from the fiscal policy. Explain in detail.

**OR**

- Que. – 1 (A) What do you mean by economics? Explain the relation of economics with other science. 12
- (B) What is economics? Give the different definition of economics.
- Que. – 2 (A) Explain the term elasticity of demand? Which are the factors affecting the elasticity of demand. 11
- (B) Explain the term goods? Explain different types of goods.

**OR**

- Que. – 2 (A) Short notes on GDP. 11
- (B) Short note on:- “ Price Determination”.
- Que. – 3 Attempt any three. 12
- (A) Explain the term inflation. Explain how the inflation affect to economics of a country.
- (B) What is monetary policy? Explain Which are the various instruments of monetary policy?
- (C) Explain the term Equilibrium. Explain Different types of Equilibrium.

**Section – II**

- Que. – 4 (A) Explain the concept of Time value of money. Explain techniques of time value of money? 12
- (B) Explain the term “Depreciation” & causes of Depreciation.

**OR**

- Que. – 4 (A) Explain the reasons of time value of money. Explain How the concept of Time value of money is useful in future. 12
- (B) What is multi period compounding? How does it affect the annual rate of interest? Give an Example.
- Que. – 5 (A) Give the difference between. 11
1. Wages and salaries
  2. Law of Demand & Law of Supply
- (B) Explain different method of Calculating Depreciation.

OR

- Que. - 5 (A) "GDP measured the performance of Economy of a country". justify statement 11
- (B) Explain the term capital? Explain in detail different types of capital.
- Que. - 6 Attempt all. 12
- (A) Two machines are purchased, each for Rs. 12000. The estimated useful life of machines is 5 years. The estimated scrap value is Rs. 2000. For machine A, Straight line method, for B, reducing balance method with  $p=30\%$  is used to calculate the depreciation every year. Compare depreciation charged in each case.
- (B) Suppose Mr. Asksh modi deposited Rs.10000000 in financial institute which pays him 11% compound interest annually for the period of 5 years. Show how the deposit would grow.

END OF PAPER