

**Dronacharya Group of Institutions, Greater Noida**  
**Mechanical Engineering Department**  
**Question Bank**

**Subject: Engineering Economics**

**Branch: ME 5<sup>th</sup> Semester**

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- Q1.** Explain the origin & subject matter of Economics.
- Q2.** Explain the scope & subject matter of economics.
- Q3.** Define Economics. Discuss its subject matter of economics.
- Q4.** Define Economics. Discuss its nature and Importance.
- Q5.** Define Economics. Discuss its Importance & significance.
- Q6.** Define the forms of economic analysis. Which form is more important and why?
- Q7.** Distinguish between micro economics and macro economics. Are they complementary to each other?
- Q8.** Critically explains the usefulness of micro and macro economics analysis.
- Q9.** Write short notes on the following:
- a) Positive and Normative economics
  - b) Elementary theory of price
  - c) Fallacies of economic analysis
- Q10.** What is Managerial Economics. How is macro economics useful in business decision making?
- Q11.** Managerial Economics integrates economic theory and business practice to facilitate decision making by business firms". Explain.
- Q12.** How is managerial economics related to economics? Which one is more useful in the choice of better decisions?
- Q13.** Explain the meaning of science? What is the role of science in economic development?
- Q14.** Explain the meaning of Engineering? How engineering plays a role in economic development.
- Q15.** Explain the meaning of Technology? How Technology plays a role in economic development.
- Q16.** Define Managerial Economics. Explain the nature & characteristics of managerial Economics.

**Q17.** Explain the Scope & Importance of Managerial Economics.

**Q18.** Explain the Role & Responsibilities of Managerial Economics.

**Q19.** What do you understand by the term 'demand' in Economics. Will a beggar desiring to purchase Maruti Car constitute demand? Explain.

**Q20.** What is a demand function? State and graphically explain the relationship between different determinants of demand and the quantity demanded.

**Q21.** State and Explain the law of Demand. Explain its assumptions.

**Q22.** State and Explain the law of Demand. Explain its exceptional cases. Whether this law holds goods for inferior goods?

**Q23.** Give reasons for the following:

- a) Why does demand for coffee rises, when price of tea increases.
- b) Why does demand for car increase, when petrol becomes cheaper?

**Q24.** Give two reasons which may make a consumer to buy more of a commodity even at a higher price.

**Q25.** Why does demand curve slopes downward from left to right? Under what circumstances, it will slope upward?

**Q26.** How do changes in determinants of demand affect the demand curve?

**Q27.** When does a consumer buy a smaller quantity of the commodity at the same price?

**Q28.** When does a consumer buy more commodity at a particular price?

**Q29.** Write short notes on the following:

- a) Demand schedule for sugar
- b) Demand curve

**Q30.** Explain Giffen goods, Prestige goods, Price Effect.

**Q31.** Distinguish between the following:

- a) Income Demand and Cross Demand
- b) Short run demand and long run demand
- c) Market segment demand and total segment demand

**Q32.** Distinguish between the following:

- a) Demand schedule, demand curve and demand function
- b) Market demand curve and household demand curve

c) Complementary goods & substitute effect

**Q33.** Distinguish between the following:

- a) Company demand & Industry demand
- b) Normal Goods & Inferior Goods

**Q34.** Define the concept of elasticity of demand.

**Q35.** Discuss the price inelastic demand and prepare a demand schedule.

**Q36.** Explain different types of elasticity of demand with the help of diagrams.

**Q37.** Define price elasticity of demand of a commodity. What should be the shape of the demand curve of a commodity when its price elasticity is (i) zero (ii) unitary (iii) infinite?

**Q38.** Distinguish between elastic and inelastic demand. When is elasticity of demand said to be unity? What is the demand curve in this case known as?

**Q39.** When demand for a commodity is said to be

- (i) Inelastic
- (ii) perfectly Inelastic

**Q40.** How is elasticity of demand measured?

**Q 41.** Explain the percentage method of measurement of price elasticity of demand for a commodity.

**Q42.** Explain the outlay method to determine price elasticity of demand.

**Q43.** Draw the demand schedule for a commodity, whose price elasticity of demand is unitary.

**Q44.** State factors which determine the price elasticity of demand.

**Q45.** Explain the relationship between slope and the elasticity of demand.

**Q46.** Define advertising elasticity of demand and factors affecting it.

**Q47.** Derive a relationship among price elasticity of demand, income elasticity of demand and cross elasticity of demand.

**Q48.** Write a short note on income elasticity of demand. Explain its role in business decisions.

**Q49.** Explain the relationship between price and cross elasticity of demand.

**Q50.** Explain briefly:

- a) Perfectly elastic demand
- b) Unitary elastic demand curve

- c) Arc elastic method
- d) Cross elasticity of demand
- e) Role of elasticity of demand in decision making

**Q51.** What is the need and objective of demand forecasting? Discuss its importance in product planning.

**Q52.** Explain opinion polling method of demand forecasting.

**Q53.** Discuss the use of Delphi method in demand forecasting.

**Q54.** How is various methods of demand forecasting. Point out their merits and demerits.

**Q55.** How is demand for durable and perishable goods is are forecasted.

**Q56.** Explain Qualitative and Quantitative Techniques of Demand Forecasting.

**Q57.** Discuss the importance of the various factors of production in the production process.

**Q58.** Explain the concept and managerial uses of production function. What are the various types of production function?

**Q59.** What is production? Explain the role of the theory of production in various fields.

**Q60.** What is the inputs in the production function of agriculture and industrial products?

**Q61.** Explain some Income Elasticities.

**Q62.** Explain Elasticity of Goods substitution.

**Q63.** If the price of salt & cigattes rise by 10% would the quantities demanded of these commodities in the market be affected similarly. Explain.

**Q64.** If there is no change in the quantity of demand of the commodity, what will you say about the price elasticity.

**Q65.** The best forecasting method is the one which yields the highest percentage of correct predictions. Suggest factors which should be considered in choosing a forecasting technique.