

International Islamic University Chittagong
Department of Electronic and Telecommunication Engineering

Final Examination Autumn 2018
 Course Code: ECON- 3501
 Time: 2 hours 30 minutes

Program: B.Sc. Engg. (ETE)
 Course Title: Principles of Economics
 Full Marks: 50

Figures in the right margin indicate full marks.

Part A

[Answer any two questions from the followings]

- 1(a). "A perfectly competitive industry is characterized by a number of producers, all producers produce a homogeneous product, and there is free mobility of resources"- do you agree with this statement? Why or why not? 4
- 1(b). Given the following cost function $TC = 40 + 4Q - 4Q^2 + 4Q^3$ 3
 Determine: (a) Total variable cost function, (b) Marginal cost function and (c) Average variable cost function.
- 1(c). Calculate ATC, AVC and MC when the firm produces 10 units of output. 3
- 2(a). Explain the Value Added Approach to calculate GDP. 3
- 2(b). What is Consumer Price Index? How it is used to measure inflation? 4
- 2(c). How do we measure the GDP growth? Explain with an example. 3
- 3(a). Estimate GNP, NNP, National Income, Personal Income and Personal Disposable income from following data? 6
 GDP = 5677.5, Net Factor payment from abroad = 17.5. CCA = 626.1,
 Indirect taxes = 475.2, Social security contribution = 528.8,
 Govt. and business transfers to person = 771.1
 Dividends = 137, Personal Tax & Non-Tax payment = 618.7
- 3(b). What is the difference between price discrimination and product differentiation? 4

Part B

[Answer any three questions from the followings.]

- 4(a). What is Tariff? Why are tariffs and trade barriers used? 4
- 4(b). Discuss the role of central bank regarding monetary policy of a country. 4
- 4(c). Distinguish between monetary policy and fiscal policy. 2
- 5(a). Why isn't the whole world developed? Discuss. 4
- 5(b). Discuss about the obstacles of economic development. 4
- 5(c). To your opinion what are the cause behind the current hyperinflation in Venezuela? 2
- 6(a). Discuss about the objectives of 7th five-year plan of Bangladesh. 5
- 6(b). What is the utility of economic planning for the development of Bangladesh? 5
7. Write short notes on: 5*2
 Vicious circle of poverty, Role of Zakat to eliminate poverty, Main export item of Bangladesh, Federal reserve, Interest versus Profit.