

Reg. No. : 341215101

Name :

Third Semester M.A./M.Sc./M.Com. Degree (Reg./Supple./Improve.)
Examination, November 2015

ECONOMICS/APP. ECONOMICS/DEV. ECONOMICS
(2014 Admn.)

ECO 3E 02 : Industrial Economics

Time : 3 Hours

Max. Marks : 60

PART - A

Answer all questions.

- ✓ 1. Indirect Foreign Investment is also known as
 - a) Grants
 - b) Concessional aid
 - c) Portfolio investment
 - d) Investment by MNCs
2. The apex term lending institution in India is
 - a) IFCI
 - b) ICICI
 - c) SFCs
 - d) IDBI
- ✓ 3. Before Independence, the Indian industries were heavily
 - a) Agro based
 - b) Metal based
 - c) Chemical based
 - d) Heavy sector based
4. The maximum number of members for a Private Limited Company is
 - a) 7
 - b) 50
 - c) 20
 - d) 200
- ✓ 5. The most important disadvantage of partnership is
 - a) Dishonesty of co-partners
 - b) Lesser public confidence
 - c) Uncertain life
 - d) Unlimited liability of each partner



6. A cartel or a large corporation formed by merging different firms
- a) Conglomerate cartel
 - b) Public cartel
 - c) Private cartel
 - d) International cartel
7. The 'Leverage ratio' is the ratio of value of debts and
- a) Share capital
 - b) Total assets
 - c) Fixed capital
 - d) Variable capital
8. The theory of the firm developed by Cyert and March
- a) Growth theory
 - b) Decision-making theory
 - c) Sales maximization theory
 - d) Behavioural theory
- (8×½=4)

PART – B

Answer **any eight** questions. Each question should **not** exceed **one** page.

9. Distinguish between merger and acquisition.
10. Define small-scale industries.
11. What is meant by vertical integration ?
12. What is meant by industrial sickness ? ✓
13. Distinguish between internal and external source of finance.
14. What is meant by over-capitalization ?
15. Define Foreign Institutional Investment.
16. What is meant by Life Insurance ?
17. Explain the Central Place Theory of August Losch.
18. Explain the case for small-scale enterprises.
19. Differentiate nominal and effective rate of protection.
- (8×2=16)



PART – C

Answer **any four** questions. **Each** answer should **not** exceed **two and half** a page.

20. Describe the performance and problems of small scale and cottage industries in India.
21. What are the functions of IDBI ?
22. Outline the types and reasons for mergers.
23. Explain the various forms of diversification and the underlying motives for diversification.
24. Explain the trends in industrial growth after 1991.
25. Explain the various sources of finance for the firm. (4×5=20)

PART – D

Answer **any two** questions. **Each** answer should **not** exceed **six** pages.

26. Critically examine the Industrial Policy Resolution of 1956.
 27. Analyse the growth and structural changes of Indian Industry since the era of planning. Also comment on the reasons for the stagnation of industry before liberalization.
 28. Critically analyse the industrial location theory of Alfred Weber.
 29. Describe the role of various industrial financial institutions in the industrial development of India. (2×10=20)
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