



Chhatrapati Shahu Ji Maharaj
University, Kanpur

Answer Script Details
Barcode 11351528

Roll No. 24023000043
Total Mark 45/75.00

Exam MA-III_ODD_EXAM_NOV_2025
Subject A080906T - Industrial Economics (Elective)

Question wise Mark Summary

Q.No Mark Q.No Mark Q.No Mark Q.No Mark

1A 3/5

1B 3/5

1C 3/5

1D 3/5

1E 3/5

1F 2/5

1G 2/5

1H 2/5

1I 2/5

2 0/15

3 11/15

4 0/15

5 0/15

6 0/15

7 11/15

8 0/15

9 0/15

Chhatrapati Shahu Ji Maharaj University Kanpur, Uttar Pradesh

PART-I

Date of Exam: 19/11/25 Shift: 3rd Room No: 302
 Paper Code: A080906T Subject: Economics Year/Sem: 3rd
 Name of Candidate: Shreya Yadav
 Roll No: 2402300043

Signature of Candidate: *Shreya*
 Signature of Investigator: *Krist*
 COE Facsimile: *JK*

PART-II

MARKS OBTAINED										
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 Signature of Evaluator

PART-III

Course: Master of Arts (Economics)
 Session: 2025-26 Year/Semester: 3rd
 Subject: Industrial Economics

संस्थान का कोड
College Code

परीक्षा केंद्र का कोड
Exam Centre Code

परीक्षा का प्रकार
Type of Exam

E	W	O	O	4	E	W	O	O	4
A	A	●	●	0	A	A	●	●	0
●	B	1	1	1	●	B	1	1	1
F	D	2	2	2	F	D	2	2	2
H	J	3	3	3	H	J	3	3	3
K	K	4	4	●	K	K	4	4	●
L	L	5	5	5	L	L	5	5	5
R	M	6	6	6	R	M	6	6	6
S	N	7	7	7	S	N	7	7	7
U	T	8	8	8	U	T	8	8	8
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Regular Ex-Student
 Private Back paper Exam

ANSWER BOOKLET NO.
11351528

A 0 8 0 9 0 6 T
 Paper Code



Paper Code: A 0 8 0 9 0 6 T

Exam Date: 1 9 1 1 2 0 2 5

Name of Candidate: S H R E Y A Y A D A V

Father's Name: F A T E H B A H A D U R S I N G H Y A D A V


PART-IV

संस्थागत संख्या
Enrollment Number: C S J M A 2 4 0 0 0 0 6 3 5 5 3

परीक्षार्थी संख्या/संख्या
Candidate's Roll Number

पेपर कोड
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Shreya
 Signature of Candidate

Krist
 Signature of Investigator

Shreya
 CS Facsimile

JK
 COE Facsimile

नोट: 1. परीक्षार्थी को निर्दिष्ट किया जाता है कि वास्तव में से मुद्रा भ्रम पर अधिक सभी निर्देशों को सावधानीपूर्वक पढ़ें।
 2. बीएस में गरी जाने वाली परीक्षार्थी सभी परक से मुक्त की जावे। 3. शीटों को कटने या पीटने से बचाने से परत जावे।

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1. Read the instructions carefully given on the answer script and admit card.
2. Write Date of Exam, Shift, Paper Code & Name of Subject Correctly.
3. Write Name & Roll No. Correctly.
4. Write Semester & Branch Correctly.

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2. Carefully study the example before you start marking.
3. As shown in the example below blacken the circles completely.



4. Make no Stray marks on this sheet.
5. **DO NOT WRITE OR MARK ON THE BAR CODE.**

IN ORDER TO AVOID UFM (UNFAIR MEANS):

1. The Roll No. and Answer Book no. found elsewhere or any other symbol found in the answer book will be treated as unfair means.
2. Any tempering of Bar Code and Booklet no shall be treated as Unfair Means.
3. Do Not bring the materials like slip of paper/mobile/digital diaries/ study material/ revision notes in examination hall. Possession of the mobiles/ digital diaries/ electronic watch and any other electronic gadget except memory less scientific calculator shall be considered as UFM case.
4. Do not keep or paste currency note in answer script it shall be consider as UFM.

अनुचित साधन से बचने हेतु:

1. उत्तर पुस्तिका के निर्देशित स्थान को छोड़कर अनुक्रमांक एवं उत्तरपुस्तिका का क्रमांक कहीं और न लिखें तथा कोई भी चिह्न न बनायें क्योंकि यह अनुचित साधन प्रयोग की परिधि में आता है।
2. उत्तर पुस्तिका के बारकोड अथवा उत्तर पुस्तिका संख्या पर छेद करने पर अनुचित साधन प्रयोग माना जायेगा।
3. परीक्षा कक्ष में निम्न वस्तुएँ साथ न लायें, जैसे लिखे हुए कागज के टुकड़े, मोबाइल, डिजिटल डायरी, कोपी, पुस्तक सह सभी वस्तुएँ जो अनुचित साधन के अन्तर्गत आती हैं। केवल संबंधित प्रश्नपत्र में ही मेमोरी लेस साइट्रिक कैल्कुलेटर ले जाने की अनुमति होगी।
4. उत्तर पुस्तिकाओं में कपड़े न रखें न ही उत्तर पुस्तिका में विषकर्म। ऐसा करना अनुचित साधन प्रयोग की परिधि में आता है।

परीक्षार्थी के लिए निर्देश

1. प्रवेश पत्र एवं उत्तर पुस्तिका पर दिये गये निर्देशों को ध्यान से पढ़ें।
2. कवर पृष्ठ के दूसरी तरफ कुछ न लिखें।
3. उत्तर पुस्तिका के पृष्ठों पर दोनों तरफ लिखें।
4. प्रश्न पत्र पर अपने अनुक्रमांक के अतिरिक्त कुछ न लिखें।
5. प्रश्न पत्र कोड एवं प्रश्न पत्र कोड सावधानी पूर्वक लिखें।
6. अपनी स्थिति स्पष्ट लिखें।
7. उत्तर पुस्तिका के पृष्ठों की संख्या देखें। अगर उत्तर पुस्तिका में पृष्ठ (1-24) से कम है या कटे हुए हैं, तो परीक्षा शुरू होने के पूर्व दूसरी उत्तर पुस्तिका ले लें।
8. प्रश्नपत्र को देख, यदि प्रश्नपत्र के विषय कोड, विषय का नाम तथा प्रश्न में कोई त्रुटि है तो उसके परीक्षा शुरू होने के 30 मिनट के अन्दर वह निरीक्षक को तत्काल सूचित करें, उसके बाद विश्वविद्यालय द्वारा कोई कार्यवाही नहीं की जायेगी।
9. प्रश्नों के उत्तर लिखने के लिये पैसिल का प्रयोग न करें।
10. B कोपी या अतिरिक्त ग्राफ नहीं दिया जायेगा।

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1. Read the instructions carefully given on the Question Paper, Admit Card & Answer Script.
2. Do not write anything on back side of the cover page.
3. Write on both sides of pages of answer book.
4. Do not write anything on question paper except Roll Number.
5. Write Paper Code & Question Paper Id carefully.
6. CHECK the number of pages (1-32) or any other kind of damage in your answer script, if found than change the answer script immediately before the commencement of examination.
7. CHECK the Question Paper for any kind of discrepancy e.g. Subject Code, Subject Name and Question of the Question Paper during first THIRTY MINUTES of the commencement of the exam, so that it can be corrected in TIME. After that no corrections shall be entertained by the university.
8. Do not use pencil for answering the question.
9. Write status correctly e.g. those appearing in carry over paper should fill in status as Carry Over. Those appearing as Ex Students should fill in status as ex.
10. No supplementary answer book & graph paper will be provided.

INSTRUCTIONS TO THE CANDIDATE FOR FILLING PART-IV

1. Use blue or black ball point pen for writing alphabets & numerals in Boxes.
2. Use blue or black ball point pen for filling the circles.

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Note - If your Roll No. is of 10 digits. Please leave first three columns



Section - A

Question 1 (A)

Industrial Growth

Industrial growth refers to the expansion of a country's industrial sector over time, measured through indicators such as output, employment, productivity, investment, and technological advancement. It signifies an increase in the scale, efficiency, and diversification of industrial activities, encompassing manufacturing, mining, electricity, and other secondary-sector activities.

At a broad level, industrial growth indicates how effectively an economy is transforming raw materials into higher value goods and services. It reflects structural changes in the economy, moving labor and capital from low productivity sectors (like agriculture) to higher productivity industrial sectors.

Key components of Industrial Growth:

1.) Increase in Industrial Output

Higher production levels of manufactured goods, driven by capacity expansion, better utilization of resources, and technological upgrades.



2) Capital Formation:

Growth is closely linked to increased investment in machinery, infrastructure, and industrial capacity.

3) Technological Progress:

Adoption of modern production methods, automation and R & D leading to improved productivity.

4) Expansion of Industrial Employment:

Creation of jobs in manufacturing, construction, & related services, which supports overall economic development.

Determinants of Industrial Growth

- 1) Availability of raw materials & natural resources
- 2) Skilled labour and human capital development.
- 3) Infrastructure (energy, transport, communication)
- 4) Government policies such as industrial licensing, trade policy, tax incentives.
- 5) Access to finance & credit
- 6) Market demand (domestic & international)

Industrial growth is not merely an increase in production. It represents a deeper transformation of the economy.



Question 1(B)

Role of Industry in Economic Development

Industry plays a crucial role in promoting economic development, particularly in developing countries economies undergoing structural transformation. Industrialisation helps shift the economic base from traditional agriculture to a modern, diversified and high productivity structure. Its importance extends beyond production to employment, technological progress and global competitiveness.

1.) Structural Transformation of the Economy

Industrialisation leads to the reallocation of labour and resources from low productivity sectors like agriculture to high productivity manufacturing. The shift increases overall national output and accelerates long term economic growth.

2.) Increased Productivity and Technological Progress

The industrial sector is typically more capital intensive and technology oriented. Adoption of modern machinery, automation, and innovation boosts labor productivity & contributes to sustained efficiency gains across the economy.



3.) Employment Generation

Industries especially manufacturing, construction and small scale industries create large scale employment opportunities. This helps absorb surplus labor from agriculture, reduces disguised unemployment, and improves living standards.

4.) Contribution to National Income

As countries industrialise the share of industry in GDP increases steadily. Industries contribute significantly to value addition, income generation and expansion of the tax base.

5.) Development of Infrastructure

Industrial growth stimulates the development of essential infrastructure such as power, transport, communication, and banking. These in turn support other sectors, creating multiplier effects throughout the economy.

6.) Expansion of Foreign Trade

Industrial goods especially manufactured exports enhance a country's competitive position in global markets.



Question 1 (D)

Industrial Policy

Industrial policy refers to the set of strategic government measures, guidelines, and rules designed to influence the growth, structure, and functioning of the industrial sector. It outlines the direction of industrial development, defines the role of the public and private sectors, and establishes the institutional and regulatory framework within which industries operate.

Industrial policy reflects how a government aims to promote industrialisation, enhance productivity, encourage investment, and achieve balanced regional and sectoral development.

Key Elements of Industrial Policy

1.) Allocation of roles b/w Public and Private sectors.

Industrial policy defines which industries are reserved for the public sector (e.g. defence, railway) and where private enterprises are allowed.



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06

2.) Industrial Licensing and Regulation

Policies may include rules related to industrial licensing, capacity expansion, entry or exit of firms and environmental or safety regulations.

3.) Foreign Investment and Technology Policy

Industrial policy often lays down norms for FDI, technology transfers, joint ventures, and access to foreign int.

4.) Promotion of Small-scale and MSME Sector

Supportive measures such as credit access, subsidies, reservation of products and skill development promote smaller industries.

5.) Trade and Export Policy Linkages

Tariffs, import duties, export incentives, and special economic zones (SEZs) are often aligned with industrial objectives.

6.) Infrastructure Development

Policies outline the government's role in providing physical, financial, and technological infrastructure to support industrial growth.

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Question 1 (E)

Economic reforms in many developing countries including India after 1991 were built on two major pillars: liberalisation and privatisation. These reforms aimed to make the economy more efficient, competitive and globally integrated by reducing excessive government control and encouraging private sector participation.

Liberalisation

It refers to the process of reducing or eliminating government restrictions and controls in the economy. Its objective is to allow greater freedom for private business to operate, invest, produce, and trade.

Objectives of Liberalization

- 1) Increase efficiency
- 2) Encourage competition
- 3) Promote innovation and technology
- 4) Integrate the economy into global markets.



Privatization


Privatization refers to the transfer of ownership, management, or control of public sector enterprises (PSEs) from the govt. to the private sector.

It aims to reduce the role of the state in industrial and commercial activities and promote private sector efficiency.

Forms of Privatization

- 1) Disinvestment
- 2) Transfer of ownership/management
- 3) Public - Private Partnerships (PPP)
- 4) Corporatization

Objectives of Privatization

- 1) Improve operation ^{efficiency} 
- 2) Reduce financial burden on govt.
- 3) Encourage private investment
- 4) Promote competition and innovation
- 5) Improve quality of goods and services.



Question 1 (F)

Relation b/w market structure & profitability

The relationship b/w market structure and profitability is a central theme in Industrial Economics. Market structure determines the degree of competition, pricing power, entry barriers, and strategic behaviour of firms, all of which influence profitability.

1.) Monopoly Power and Profitability

In a monopoly, a single firm faces no close competitors. High entry barriers, product uniqueness and strong pricing power allow the monopolist to earn supernormal profits in the long run. Lack of competition also enables the firm to set prices $>$ marginal costs.

2.) Oligopoly and Strategic Behaviour

In an oligopolistic market, a few large firms dominate. Profitability depends on the nature of competition and strategic behaviour.

→ Collusive behaviour or tacit coordination leads to high profits.



→ Price wars if firms compete aggressively, reduce profitability.

3.) Monopolistic Competition

Here many firms sell differentiated products because of product differentiation and some degree of brand loyalty, firms can charge slightly higher prices. However, free entry pushes long-run economic profits to normal levels. Thus, profitability is moderate and short run profits may not persist.

4.) Perfect Competition

In perfect competition firms are price takers and face intense competition. There are no entry barriers, so any short run profit attracts new firms, reducing price & pushing profits to zero in the long run. Thus, the profitability here is lowest among all market structures.

Therefore, profitability is inversely related to competitive pressure and directly related to market power and entry barriers.



Market structure

(Concentration, entry barriers,
no. of firms)



Conduct

(Pricing behaviour, collusion, advertising,
R & D, product strategy)



Performance

(Profitability, efficiency,
innovation)

1.) Highly concentrated markets (monopoly/oligopoly)
→ less competition → firms can charge
higher price → higher profit

2.) low concentration (perfect competition) →
intense competition → price = cost → low/normal
profits)

Question 1 (6)

Role of IDBI in Indian markets:

The Industrial Development Bank of India (IDBI) established in 1964, has played a crucial role as a premier development financial institution (DFI) in promoting India's industrial growth.



1) Long term and medium term Industrial Finance

Provides medium and long term loans for establishing and expanding industrial units.

2) Refinance Facilities

Offers refinance to banks, SFCs, and SIDCs, to increase overall credit flow to industries.

3) Support to Backward Areas

Gives concessional loans and special schemes to promote industrialization in backward regions.

4) Modernization & Technology Upgradation

Finances adoption of new technology, modernization projects, and productivity improvements.

5) Underwriting and Capital Market support

Underwrites shares and debentures, helping industries raise capital for new projects.



Question 1 (H)

Importance of Social Security

Social security refers to the system of protections provided by the state to safeguard individuals against economic risks such as illness, unemployment, disability, old age & poverty. Its importance can be explained as —

1) Economic Security for Individuals

Social security ensures a minimum standard of living by providing financial support during periods of income loss, protecting people from hardships.

2) Reduction of Poverty and Inequality

By offering pensions, insurances, and welfare benefits, social security helps reduce poverty and narrow income disparities.

3) Improved Social Stability

It promotes social cohesion by reducing distress and insecurity among vulnerable groups, thus contributing to a more stable society.



4) Encourages Workforce Productivity

Workers feel more confident and motivated when they are covered by insurance, healthcare, & retirement benefits, improving overall productivity.

5) Protection against social risks

Social security protects individuals and families from risks like illness, accidents, unemployment, and old age, ensuring long term well being.

Question 1 (I)

Remedies for Industrial Disputes

Industrial disputes arise b/w employees & workers regarding wages, working conditions, employment or rights. Industrial disputes act provides several remedies to solve such conflicts.

1) Collective Bargaining

Direct negotiations b/w employer and workers union to settle disputes peacefully & arrive at mutually acceptable agreements.



2) Conciliation

A neutral person appointed conciliation officer or board facilitates discussion b/w parties to help them reach a settlement.

3) Arbitration

Both parties voluntarily refer the dispute to an impartial arbitrator whose decision (award) is binding.

4) Adjudication

When other methods fail, disputes are referred to Labour Courts, Industrial Tribunals, or National Tribunals for a legally binding judgment.

5) Work Committees/Grievance Redressal Mechanisms

Internal committee in industrial establishments helps address day to day grievances & prevent disputes.

Question 1(c)

Problems of Industrialization in India:

India's industrialization has faced several structural and operational challenges. Key problems were—



1) Inadequate Infrastructure

Poor power supply, transport bottlenecks, and weak logistics increase production costs and reduce efficiency.

2) Shortage of Capital and Credit

Industries especially MSMEs, face difficulties accessing affordable long term finance, limiting expansion and modernization.

3) Low Technological Development

Slow adoption of ~~max~~ technology, weak R&D, & dependence on imported machinery reduce competitiveness.

4) Skilled Labor Shortage and Low Productivity

Skill gaps, outdated training systems and low labor productivity hinder industrial growth.

5) Bureaucratic Delays & Regulatory Rigidity

Complex procedures, excessive regulation, and slow clearances discourage investment and delay projects.



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Section B

Question 3

Process of Industrialization in India

Industrialization in India has been a gradual and evolutionary process shaped by historical, policy driven, and economic developments. It can be understood in terms of major phases and key transformations that contributed to the growth of the industrial sector.

1) Pre-Independence Pt. (Before 1947)

Industrialization was limited and largely dominated by British policies.

→ Growth of traditional industries like textile and jute.

→ Emergence of modern industries such as steel (TISCO), paper, and cement)

→ Lack of infrastructure, finance, and technology restricted industrial expansion.

2) Post-Independence Strategy and Planned Industrial Development (1950s - 1970s)



India adopted a state led industrialization strategy through five-year plans.

→ emphasis on import-substitution, self-reliance, and heavy industries.

→ Public sector enterprises (PSUs) established in steel, power, mining and engineering.

→ Industrial Policy Resolutions (1956) promoted a mixed economy with a dominant public sector.

→ Industrial Licensing controlled entry & expansion

This phase laid the foundation of India's industrial base but created inefficiencies due to excessive regulation.

3) Green Revolution and Agro based Industrial Expansion (Late 1960s - 1980s)

Industrialization supported by agriculture growth. Growth of agro-processing industries fertilizers, machinery, & food products. Rise of small scale industries (SSI) due to reservation subsidies, & credit support. Expansion of banking and financial institutions (IDBI, IFCI, SIDBI)



4.) Liberalization and Economic Reforms (1991 onwards)

Introduction in the 1991 reforms abolished licensing, reduced trade barriers, opened the economy to FDI, & encouraged private sector competition, leading to greater efficiency & modernization of industries.

5.) Technological Upgradation (2000s onwards)

Industries became technology-driven with growth in IT, electronics, auto automobiles and SEZs, improving productivity and global competitiveness.

6.) Recent Initiatives (2014 - Present)

Make in India, GST, startup India, and PLI schemes were introduced to boost manufacturing investment & innovation.

Factors Affecting the Process of Industrialization in India —

1.) Availability of Capital ✓

Industrial growth depends on access to finance. Limited long term capital & high borrowing costs slow down industrial expansion.



2) Infrastructure Facilities

Poor transport, inadequate power supply, and weak logistics increase production costs and reduce competitiveness.

3) Technology and Innovation

Slow adoption of modern tech, low R & D spending and dependence on imported machinery hinder productivity and efficiency.

4) Skilled Labor and Human Capital

Inufficient skill development, low labor productivity, and mismatch b/w training and industry needs affect industrial performance.

5) Government Policies and Regulatory Environment

Industrial licensing, taxation issues, labor laws and bureaucratic delays can discourage investment, while reforms like liberalization and FDI schemes support industrialization. ✓



Section - C

Question 7

Alfred Weber's theory of industrial location

Alfred Weber, a German economist developed the least cost theory of industrial location in 1909. His theory explains how industries choose their optimal location based on the goal of minimizing production & transportation costs. Weber argued that firms aim to locate where total costs are the lowest so that profit can be maximized.

Basic assumptions of the theory:

- 1) Isotropic plain → The geographical area is uniform with equal transport conditions everywhere.
- 2) Fixed locations of raw materials and markets.
- 3) Transport costs depend on weight & distance.
- 4) Labour is available but immobile.
- 5) Perfect competition in production.
- 6) One product and one market for each industry.



Main determinants of Industrial Location

A) Transport Cost

This is the most imp. factor in Weber's theory. The firm chooses a location that minimizes the total transportation cost of bringing raw materials to the factory, & sending finished goods to the market. Weber uses a location triangle to illustrate this;



→ The three corners of the triangle represent two raw materials sources and the market.

→ The factory is located somewhere inside triangle.

→ d_1, d_2, d_3 → the distances b/w the factory & raw materials points/market.

→ w_1, w_2, w_3 → the weights of raw materials & finished goods.

To find the optimal factory location that minimizes the weighted distance:

$$\text{Total transportation cost} = w_1 d_1 + w_2 d_2 + w_3 d_3$$



The ideal point is where the cost is the lowest.

(B) Material Index (M)

Weber introduced the Material Index to determine whether an industry will be:

→ Market oriented → Material oriented

$$MI = \frac{\text{Weight of Raw Material}}{\text{Weight of Final Product}}$$

If $MI > 1$ → Raw material are heavier → Industry locates near raw material source.

If $MI < 1$ → Final product is heavier → Industry locates near market.

(C) Labour Cost



Weber recognized cheap labour may cause a factory to deviate from the least transport cost point. The firm relocates only if:

Savings in labour cost > Increase in transport cost.

This gives rise to labour-oriented industries.



(D) Agglomeration and Deglomeration

Weber noted the cost advantages when industries cluster together:

Agglomeration economies

- shared services
 - Developed infrastructure
 - skilled labour concentration
- This reduces costs & attracts more firms.

Deglomeration

When congestion, pollution, & high rents occur firms move out.

Significance of Weber's Theory

- 1) First scientific theory of industrial location
- 2) Introduced transport cost, labour cost, & agglomeration in locational analysis.
- 3) Widely applied to manufacturing industries like steel, cement, sugar, etc.

∴ Alfred Weber's theory provides a strong foundational framework for understanding industrial location decisions.