Uva Wellassa University

Faculty of Management

Degree of Bachelor of Technology in Science and Technology

Degree of Bachelor of Science in Mineral Resource and Technology

Uva Wellass University

THIRD YEAR FIRST SEMESTER EXAMINATION JULY/AUGUST 2016

EMG 344 – 2 Applied Economics and Value Addition

(2).

(a). Discuss using relevant graphs

(i). Increasing Opportunity Cost (03 marks)

(ii). Decreasing Opportunity Cost (03 marks)

(iii). Constant (unique) Opportunity Cost (03 marks)

(b). Briefly explain how an economy can attain an unattainable consumption or production point using graphs where necessary (08 marks)

(c). "Innovations will increase the social welfare of the public" Elaborate this statement (08 marks)

(Total 25 marks)

(3).

(a). Define the term "Technological Change" (02 marks)

(b). What is meant by Product and Process Innovation? (04 marks)

(c). A significant initial cost, a stream of future cost and capital budgeting are important features of decision making with innovation. Elaborate. (06 marks)

(d). What are the major requirements for innovation (06 marks)

(e). Discuss the relationship between innovations and profit (07 marks)

(Total 25 marks)

(4).

Select a product or a process that you expect to add value on your own and explain why and how you expect to add value to the selected process or product according to economic theories.

(Total 25 marks)

(5).

(a). Differentiate the value chain and value chain analysis (4 marks)

(b). List four primary and four secondary activities of value chain (8 marks)

(c). In which context buyer driven value chains and producer driven value chains are operated, provide two examples (8 marks)

(d). Discuss why value chain analysis are important for a production firm (5 marks)

(Total 25 marks)

(6).

Write short note on five **(5)** of the following (05 marks for each)

(a). Opportunity Cost

(b). Value Chain Analysis

(c). Economic Value Added

(d). Production Efficiency and Inefficiency

(e). Patent Rights

(f). Present Value

(g). Production Isoquant

(Total 25 marks)