



Section -A

- I. Answer all the following questions in a sentence or a word. 10 x 1 = 10**
1. Define economics?
 2. What is MRS?
 3. Give the meaning of elasticity of demand.
 4. Define production function.
 5. $MR = TR_n$ -?
 6. What do you mean by profit?
 7. How can you say monopolist seller is a price maker?
 8. What do you mean by macroeconomics?
 9. What is GDP?
 10. Define money according to F.A walker

Section - B

- II. Answer any Ten of the following questions in four sentences each. 10 x 2 = 20**
11. Write any 2 limitations of the LDMU.
 12. How does the movement along the demand curve occur?
 13. Suppose there are 2 consumers in a market and their individual demand functions are $Q_{d1} = 15 - 2p$ & $Q_{d2} = 25 - 3P$. Find out the market demand function.
 14. Why does the SMC Cut SAVC at its minimum points?
 15. What is invisible hand according to Adam Smith?
 16. Give two examples of monopolistic competitive industry.
 17. How does monopoly firm differ from a competitive firm.
 18. What is credit creation?
 19. What is national income?
 20. Name the motives of demand for money according to Keynes.
 21. What is progressive tax? Give examples.
 22. Distinguish between open & closed economy.

Section - C

- III. Answer any eight of the following in 15 sentences each. 8 x 5 = 40**
23. Explain the limitations of micro economics.
 24. Explain various concepts of utility.
 25. Write a note on consumer equilibrium.

26. Explain the cost concepts.
27. Explain the law of supply with help of a schedule & diagram.
28. Write the fractures of oligopoly market.
29. Explain the relationship between AR & MR in monopoly market.
30. Explain the circumstances for the emergence of macroeconomics.
31. Describe the limitations of national income as a measure of welfare.
32. Discuss the concepts of multiplier.
33. Explain the theories of determination of exchange rate.
34. Briefly explain the stages of returns to scale.

Section - D

IV. Answer any 2 of the following in 40 sentences each. 2 x 10 = 20

35. Explain the law of variable proportion.
36. Explain price determination in perfectly competitive industry.
37. Write a note on IDC. Explain its properties in detail.
38. Explain objectives & tools of Fiscal policy

Section - E

V. Answer any 2 of the following in 15 sentences each. 2 x 5 = 10

39. Calculate the missing costs.

Output	TFC	TVC	TC	AFC	AVC	AC
1	50		70	50		
2		30		25		40
3	50		90		13.33	30
4	50	60	110	12.5	15	27.5
5	50	90		10	18	

40. If the demand & supply function of real cotton are $Q_d = 500 - 100Q_s = 50 + 50p$, find the equilibrium price and the equilibrium quantity demanded & supplied and prove that any price other than equilibrium price leads either to excess supply or excess demand.
41. Explain the concepts of supply of money.
