

PRINCIPLES OF ECONOMICS

Time: 3 Hours

Maximum Marks: 50

PART-A

(Answer **ANY TWO** questions. Each question carries **TEN** marks)

(2 x 10 = 20)

- I. Explain with the help of a diagram how a consumer attains equilibrium under indifference curve analysis?
- II. “When total utility is maximum, marginal utility is zero”- Discuss with help of an example. Also briefly explain assumptions of the law of diminishing marginal utility.
- III. State and explain law of demand. With the help of a diagram explain movement along the same demand curve
- IV. Explain law of diminishing returns. What are the limitations/exceptions to this law? Why this law is applicable to agriculture sector. .

PART-B

(Answer **ANY THREE** questions. Each question carries **FIVE** marks)

(3 x 5 = 15)

- V. Explain briefly the interaction between demand and supply.
- VI. With the help of a diagram explain extension and contraction of supply.
- VII. Briefly explain five different types of price elasticity of demand with diagram
- VIII. Critically examine different wealth definitions.
- IX. Explain briefly the four situations where demand curve rise upwards instead of slop downwards
- X. Explain briefly the law of substitution.

PART-C

(Answer **ANY TEN** questions. Each question carries **ONE AND A HALF** marks)

(10x 1 ½ = 15)

- XI. (a). Bobber’s definition of demand
(b). Budget Line
(c). Properties of indifference curves
(d). Income elasticity
(e). Marshall’s welfare definition of economics
(f). Features of monopoly.
(g). National income and per capita income
(h). Wealth and Income
(i). Cross demand
(j). Basic economic problems
(k). Goods and Service
(l). Economic activity
(m).Giffen goods
(n). Marginal utility
(o). Production

