

**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. Compare different definitions of economics. In your opinion which definition is the best one and why?
- II. Explain with the help of an example Law of demand. Also, explain with the help of a diagram extension and contraction of demand.
- III. Explain with the help of a diagram how a consumer attain equilibrium under indifference curve analysis?
- IV. What do you understand by the term market? Explain briefly the characteristics of pure and perfect competitive markets.

**PART-B**

(Answer **ANY THREE** questions. Each question carries **FIVE** marks) (3 x 5 = 15)

- V. State and explain briefly Law of maximum satisfaction
- VI. Explain briefly the limitations of law of diminishing marginal utility.
- VII. Distinguish between supply and stock. Explain with the help of a diagram “movement along the same supply curve”
- VIII. Explain briefly Law of diminishing returns.
- IX. Write Marshall’s definition of elasticity of demand. Also explain price, income and cross elasticity of demand.
- X. Write short notes on (a). Marshallian Scissors (b). Barter system.

**PART-C**

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

**(10x 1 ½ = 15)**

- XI. (a). Wealth  
(b). Money  
(c). Demand curve  
(d). Non-Economic activity  
(e). Features of monopoly market  
(f). Capital good.  
(g). Creeping inflation  
(h). Great Depression of 1930s  
(i). Supply schedule  
(j). National income  
(k). Value  
(l). Utility  
(m) Cost of production  
(n). Economic development  
(o). Complementary good

