

HONS.01/18/03

B.A. LL.B., (Hons) DEGREE FIRST SEMESTER EXAMINATIONS, NOVEMBER 2018

PRINCIPLES OF ECONOMICS

Time: 3 Hours

Maximum Marks: 50

Answer ANY FIVE questions. Each question carries TEN marks.

(5x10=50)

- I. Compare and contrast wealth, welfare, scarcity and Keynesian definitions of economics.
- II. State and explain law of diminishing marginal utility. Also prove that when total utility is maximum marginal utility becomes zero.
- III. State and explain Law of substitution. Also explain its limitations and practical utility
- IV. Explain briefly the functions of money. Also explain briefly transaction, precautionary and speculative motives of money.
- V. Explain briefly the elasticity of demand. With the help of diagram explain different types of price elasticity of demand.
- VI. With the help of indifference curve analysis explain how a consumer attains equilibrium with given income and prices of the commodities?
- VII. Write short notes on ANY TWO of the following.
 - (a). Extension and Contraction of demand.
 - (b). Law of diminishing returns
 - (c). Difficulties of barter system
- VIII. Write short notes on ANY TWO of the following:
 - (a). Division of Labour
 - (b). Supply and stock
 - (c). Substitute good, economic good and free good