

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. Which one you consider the best and why?
- II. State and explain Law of diminishing marginal utility.
- III. What do you understand by the term demand? State and explain Law of demand.
- IV. Distinguish between price elasticity and cross elasticity of demand. Also explain five different cases of elasticity of demand.

PART-B

(Answer ANY FOUR questions. Each question carries FIVE marks)

(4 x 5 = 20)

- V. Explain briefly the interaction between demand and supply.
- VI. With the help of a diagram explain increase and decrease in supply.
- VII. Explain briefly the basic assumptions of utility analysis.
- VIII. What do you understand by the term Marginal Rate of Substitution. Explain briefly the construction of budget line.
- IX. Explain the situations where people buy more quantity of a commodity when price of the commodity rises.
- X. Explain Law of diminishing returns.

PART-C

(Answer ANY FIVE questions. Each question carries TWO marks)

(5 x 2 = 10)

- XI. (a). Distinguish between demand and desire  
(b). Cross elasticity of demand  
(c). Assumptions of consumer's scale of preferences  
(d). Law of supply  
(e). Keynes's definition of economics  
(f). Features of perfect competition.  
(g). Gross Domestic Product and Gross National Income  
(h). Distinguish between Wealth and income  
(i). Personal Income  
(j). Consumer's surplus

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