

B.A. LL.B., (Hons) DEGREE FIRST SEMESTER (Supplementary) EXAMINATIONS,  
NOVEMBER 2016

PRINCIPLES OF ECONOMICS

Time: 3 Hours

Maximum Marks: 50

Answer ANY FIVE questions. Each question carries TEN marks.

(5x10=50)

- I. Economics is considered as study of scarcity rather than study of wealth and welfare-Comment
- II. Explain briefly the assumptions on which the utility analysis depend. Also explain the limitations and practical utility of law of diminishing marginal utility
- III. What is the definition of the term demand given by Bobber. Distinguish between price, income and cross demand in the light of Bobber's definition. Also explain briefly any five factors which affects the demand for a product.
- IV. With the help of equi-marginal utility principles, explain how a consumer derives equal satisfaction from two commodities with limited income to spend.
- V. Explain briefly the assumptions and properties of indifference curve analysis. Also explain how a budget line or price line is constructed
- VI. Define elasticity of demand. Explain briefly the five types of price elasticity of demand.
- VII. Write short notes on ANY TWO of the following:
  - (a). Giffen Paradox
  - (b). Law of Increasing Returns
  - (c). Diminishing Marginal Rate of Substitutions
- VIII. Write short notes on ANY TWO of the following:
  - (a). Income elasticity of demand
  - (b). Interaction between demand and supply
  - (c). Basic economic problems