

HONS.01/16/03

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

PRINCIPLES OF ECONOMICS

Time: 3 Hours

Maximum Marks: 50

Answer ANY FIVE questions. Each question carries TEN marks.

(5x10=50)

- I. Compare and contrast different definitions of Economics. In your opinion which one you consider the best and why ?
- II. Distinguish between utility, total utility and marginal utility. State the law of diminishing marginal utility. Also, Prove that when total utility is maximum, marginal utility is zero
- III. State and explain Law of demand. Distinguish between shift in demand and movement along the same demand curve
- IV. State and explain law of substitution
- V. Explain in detail how a consumer attains equilibrium with the help of indifference curve analysis.
- VI. Distinguish between price elasticity, income elasticity and cross elasticity of demand. Explain briefly the five types of price elasticity of demand.
- VII. Write short notes on ANY TWO of the following:
  - (a). Law of diminishing returns
  - (b). properties of indifference curve
  - (c). Factors affecting the supply of a commodity
- VIII. Write short notes on ANY TWO of the following:
  - (a). Laws of production
  - (b). Explain the situations where demand curve rises upward instead of downward sloping
  - (c). Marshelian scissors