

[This question paper contains 4 printed pages.]

Your Roll No.....

Sr. No. of Question Paper : 2406 G

Unique Paper Code : 2924001008

Name of the Paper : Principles of Economics

Name of the Course : B.A. (Hons.) Business
Economics : G.E.

Semester : I

Duration : 3 Hours

Maximum Marks : 90

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. Simple Calculators are allowed.
3. Attempt any 6 questions.

1. (a) State the law of demand and law of supply and thus discuss the market equilibrium diagrammatically.

(5)

P.T.O.

(b) Discuss the price elasticity of demand. Give a diagrammatic illustration of the Unitary elastic demand, Perfectly elastic demand, Perfectly inelastic demand, Elastic demand and Inelastic demand. (10)

2. (a) Explain the factors leading to shift in the supply curve. (5)

(b) Explain the Indifference Curve and its properties. (10)

3. (a) Discuss the 'Law of Variable Proportion' with the help of the suitable diagram. (10)

(b) How Macroeconomics is different from Microeconomics? Discuss any one macroeconomic variable in detail. (5)

4. Explain any 'three'.

(a) Consumption goods and the Capital goods

(b) Stocks and flows

(c) Factor Income and Transfer Income

(d) GDP at Factor cost and GDP at Market Price

(e) Indirect taxes and Subsidy (15)

5. (a) Given the consumption function of an economy

$$C = \$100 \text{ crore} + 0.8Y$$

(i) What are the values of autonomous consumption and the slope of consumption function ?

(ii) What is the equilibrium level of income?

(5)

(b) Discuss the different components of Consumption function with the diagram. (10)

6. (a) Discuss the Liquidity Preference theory of Money.

(8)

- (b) Discuss different functions of money. (7)
7. (a) Explain the concept of a Multiplier. (6)
- (b) Explain GDP and its various components. (6)
- (c) Convert GDP to NNP. (3)