

FIRST SEMESTER FYUGP EXAMINATION NOVEMBER 2024**MAJOR****ECO1CJ 101 PRINCIPLES OF ECONOMICS**

Time : 2 Hrs

Maximum Marks : 70

Section A		Ceiling Marks : 24		
Answer all questions. Each carries 3 marks.				
No.	Question	M	BL	CO
1.	Define "Opportunity cost"	3	1	CO1 CO6
2.	What is Marginal analysis?	3	5	CO1 CO2 CO6
3.	Define productivity.	3	2	CO1 CO2
4.	Explain the reasons for inflation.	3	4	CO1 CO2 CO5 CO6
5.	Describe a situation where marginal analysis can be applied to a business decision.	3	6	CO4 CO5 CO6
6.	Define economics.	3	1	CO1 CO2 CO3 CO4
7.	Explain consumer equilibrium by using Budget line.	3	4	CO5 CO6
8.	What are the consequences of an economy focussing too much on future possibilities at the expenses of present needs?	3	6	CO3 CO4 CO5 CO6
9.	Define is profit system. Explain its features.	3	4	CO1 CO3 CO4
10.	What does the "invisible hand" of the marketplace do?	3	5	CO3 CO4 CO5 CO6
Section B		Ceiling Marks : 36		
Answer all questions. Each question carries 6 marks.				
No.	Question	M	BL	CO
11.	Explain the role of trade off, opportunity cost and marginal analysis in economic interactions.	6	1	CO1 CO2
12.	How taxes adversely affect the allocation of resources?	6	4	CO3 CO4 CO5

13.	Discuss the role of economist as policy advisor in shaping public policy.	6	4	CO1 CO2 CO5 CO6
14.	“Normative economic statements cannot be tested for accuracy.” Discuss this statement with examples and explain why positive and normative statements are both necessary in policy formulations.	6	5	CO4 CO5 CO6
15.	What is Budget Line?	6	1	CO1 CO2
16.	Define market system. Explain its basic characteristics.	6	4	CO1 CO2 CO3 CO4 CO6
17.	Explain the role of markets and prices in the market system.	6	4	CO1 CO2 CO3 CO4 CO5 CO6
18.	Critically explain the significance of the invisible hand in free market economics.	6	3	CO1 CO2 CO3 CO4 CO5 CO6

Section c

Answer any 1 question. Each carries 10 marks. (1x10=10 marks)

No.	Question	M	BL	CO
19.	<p>What is production possibility Frontier? Imagine a society that produces military goods and consumer goods, which we'll call “guns” and “butter.”</p> <p>a. Draw a production possibilities frontier for guns and butter. Explain why it has a bowed out shape.</p> <p>b. Show a point that is impossible for the economy to achieve. Show a point that is feasible but inefficient.</p> <p>c. Imagine that the society has two political parties, called the ABC (who want a strong military) and the XYZ (who want a smaller military). Show a point on your production possibilities frontier that the ABC might choose and a point the XYZ might choose.</p> <p>d. Imagine that an aggressive neighbouring country reduces the size of its military. Show in the graph that both the ABC and XYZ reduce their desired production of guns by the same amount.</p>	10	6	CO1 CO2 CO3 CO4 CO5
20.	Why is entrepreneurial ability considered a category of economic resource, distinct from labor? What are the major functions of the entrepreneur?	10	2	CO1 CO2 CO5
