

FIFTH SEMESTER UG DEGREE EXAMINATION, NOVEMBER 2022**(Regular/Improvement/Supplementary)****ECONOMICS (OPEN COURSE)****GECO5D01T: ECONOMICS OF EVERYDAY LIFE****Time: 2 Hours****Maximum Marks: 60****SECTION A: Answer the following questions. Each carries 2 marks.****(Ceiling 20 Marks)**

1. What do you mean by the assumption, 'People are rational' in Economics?
2. How to produce is one of the central problems of an economy? Explain.
3. What is the law of demand?
4. Why does a firm's supply curve normally slope upward?
5. Define Oligopoly.
6. Explain the concept of Perfect Competition.
7. What do you mean by rationing of credit?
8. What is hyper inflation?
9. Write an account on Foreign Portfolio Investment.
10. What is meant by Balance of Trade?
11. Write a note on GDP at factor cost.
12. Define repo rate.

SECTION B: Answer the following questions. Each carries 5 marks**(Ceiling 30 Marks)**

13. What is scarcity? Why is scarcity central to the study of economics?
14. Explain the important features of a Capitalist economy.
15. *Popeye's* income declines, and as a result, he buys more *spinach*. Is *spinach* an inferior or a normal good? What happens to *Popeye's* demand curve for *spinach*?
16. What are the major reasons for a merger?
17. Bring out the difference between CPI and WPI.
18. Distinguish between revenue expenditure and capital expenditure.
19. What is fiscal deficit? Discuss the major implications of fiscal deficit.

SECTION C: Answer any 1 question. Each carries 10 marks

20. What is price elasticity of demand? Examine different methods of measurement of price elasticity of demand.
21. Briefly explain the methods of measuring national income, its limitations and the difficulties encountered while calculating national income.

(1 x 10 = 10 Marks)