

2015 NOV.
PRINCIPLES OF ECONOMICS-I

Time Allowed: Three Hours

Maximum Marks : 70

SECTION-A

Note:- Attempt any *two* questions from this Section. Each question carries 10 marks.

- [1] What is Utility ? Discuss the relationship between total utility and marginal utility.
- [2] What do you understand by Word demand ? Distinguish between Income demand, Price demand and Cross demand.
- [3] Define Elasticity of Demand. Explain various methods to measure it.
- [4] Show with the help of diagram that the price effect is a combination of both income and substitution effect.

SECTION-B

Note:- Attempt any *two* questions from this Section. Each question carries 10 marks.

- [5] Differentiate between Returns to factor and Returns to scale. Explain different phases of returns to scale.
- [6] Explain how the relation between average and marginal revenue depends upon elasticity of demand.
- [7] Explain the stages of law of variable proportions.
- [8] How is price determined under perfect competition?

SECTION-C

Note:- Attempt any 10 questions from this Section. Each question carries 3 marks.

- [9] Write notes on any 10 of the following :
- (a) Consumer's equilibrium.
 - (b) Decrease in demand.
 - (c) Unit elastic demand.
 - (d) Income effect.
 - (e) Marginal utility.

Question Papers (Paperwise)

- (f) Derived demand.
- (g) Least Cost Combination.
- (h) Production function.
- (i) Marginal revenue.
- (j) Normal Price.
- (k) Product differentiation.
- (l) Increasing returns to scale.

(3×10=30)