



THE ANSWERS MUST BE ATTEMPTED ON THE ANSWER SHEET PROVIDED

Q.1. Answer the following short questions:

(15x2=30)

- i. Scope and Importance of Economics
- ii. Production Possibility Frontier
- iii. Opportunity Cost
- iv. Law of demand
- v. Income Elasticity of Demand
- vi. Marginal product
- vii. Monopoly
- viii. Balance of trade
- ix. Tools of Fiscal policy
- x. Demand pull Inflation
- xi. Constant returns to scale
- xii. GNP vs. GDP
- xiii. Factors shifting supply curve
- xiv. Economic profit
- xv. Market Equilibrium

Q.2. Answer the following questions.

- 1. a. What are various characteristics of perfect competition? (4)
b. Discuss equilibrium of firm under perfect competition. (6)
- 2. Explain the law of diminishing marginal utility using examples. (10)
- 3. a. How nominal GNP is different from real GNP? (4)
b. What are various phases of a business cycle? (6)