



**Q.1. Give short answers to the following:**

**(15x2=30)**

- i. Scope of Economics
- ii. Opportunity Cost
- iii. Factors of Production
- iv. Law of Supply
- v. Price Elasticity of Demand
- vi. Cross Elasticity
- vii. Perfect competition
- viii. Balance of payments
- ix. Tools of Monetary Policy
- x. Cost push Inflation
- xi. Increasing returns to scale
- xii. Scarcity and choice
- xiii. Factors shifting demand curve
- xiv. Inferior goods
- xv. Market Equilibrium

**Q.2. Answer the following questions.**

**(3x10=30)**

1. a. What is Fiscal policy? (4)  
b. Describe various tools of Fiscal policy. (6)
2. Explain the law of 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)