

**PARUL UNIVERSITY**  
**FACULTY OF ARTS**  
**B.A Summer 2017 – 18 Examination**

**Semester: 1**  
**Subject Code: 15101101**  
**Subject Name: Elements of Economic Theory -I**

**Date: 28/05/2018**  
**Time: 10.30 am to 1.00 pm**  
**Total Marks: 60**

**Instructions:**

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Make suitable assumptions wherever necessary.
4. Start new question on new page.

**Q.1 Do as directed.****(08)****A. Multiple choice type questions. (Each of 0.5 mark)**

- 1 “Economics is the Science of Wealth” who gave this definition?  
 (a) J. K. Mehta (b) Adam Smith (c) Marshall (d) Robbins
- 2 Which theory is generally included under micro economics?  
 (a) Income Theory (b) Employment Theory (c) Price Theory (d) None of the above
- 3 Characteristics of economic laws are—  
 (a) Mere statements of economic tendencies (b) Less certain (c) Hypothetical (d) All of the above
- 4 An increase in demand causes  
 (a) an increase in supply as new firms enter the market (b) an increase in price and an increase in Supply (c) an increase in price and an increase in the quantity supplied (d) a decrease in price and an increase in the quantity supplied
- 5 The law of demand states that an increase in the price of a good  
 (a) Increases the supply of that good (b) Increases the quantity supplied of that good (c) Decreases the quantity demanded for that good (d) None of these answers
- 6 Who has given scarcity definition of economics?  
 (a) Adam Smith (b) Marshall (c) Robbins (d) Robertson
- 7 Among the following what is not considered as an economic activity?  
 (a) fishing (b) Banking (c) Agriculture (d) Neeta helping her brother with assignments
- 8 Human wants are \_\_\_\_\_.  
 (a) Unlimited (b) Unsatisfiable (c) Undefined (d) Limited
- 9 Law of supply shows relationship between \_\_\_\_\_.  
 (a) Price and Demand (b) Price and Supply (c) Cost and output (d) None of these
- 10 Utility is \_\_\_\_\_ to satisfy human wants.  
 (a) Power (b) Satisfaction (c) Energy (d) None of these
- 11 Economics is \_\_\_\_\_.  
 (a) Positive science (b) Normative science (c) Arts (d) All of these
- 12 Who is known as father of Economics \_\_\_\_\_.  
 (a) Marshall (b) Adam smith (c) Robbins (d) Keynes
- 13 The income elasticity of an inferior good is:  
 (a) 0 (Zero) (b) Negative (c) Positive (d) 1
- 14 Decreasing AC is due to:  
 (a) Economies of scale (b) both of the above (c) Diseconomies of scale (d) all of the above
- 15  $TC = TFC + \underline{\hspace{2cm}}$ .  
 (a) TVC (b) AVC (c) AC (d) MC
- 16 Average Revenue is also known as \_\_\_\_\_.  
 (a) Price (b) Cost (c) Output (d) None of these

**B. Terms/ Short notes/ Case study/ Charts/ Graphs/ Tables, etc. (Each of 01 mark)****(07)**

1. Goods
2. Utility
3. Elasticity of demand
4. Law of demand
5. Supply
6. Increase in demand
7. Free goods

**Q.2 Answer the following.**

- A. Explain increased in demand and extension in demand (04)
- B. What is micro economics? (04)
- C. What is unitary elastic demand? (04)

**OR**

- C. What are the determinants of demand? (04)

**Q.3 Answer the following.**

- A. What is change in supply? explain. (05)
- B. Explain the different types of goods. (05)
- C. Explain the different types of utility. (05)

**OR**

- C. Explain exceptions to the demand. (05)

**Q.4**

- A. Explain law of demand. (06)
- B. Explain different types of price elasticity. (06)
- C. Explain the law of supply. (06)

**OR**

- C. Explain relationship between AR, MR, TR. (06)