

PARUL UNIVERSITY
FACULTY OF COMMERCE
B.Com(Hons) Summer 2017-18 Examination

Semester: 1
Subject Code: 16100105
Subject Name: Fundamentals of Economics

Date: 04/06/2018
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 (A) Do as directed (MCQ, True or False) (1 mark each. All Compulsory) (06) (12)

1. For a commodity to be called wealth, it must NOT possess
 - a) Utility.
 - b) Scarcity
 - c) Transferability.
 - d) Reliability.
2. India is following which Economic system of production?
 - a) Capitalism
 - b) Socialism
 - c) Mixed Economy
 - d) Communism
3. The numerical value of Unitary elastic demand is?
 - a) 1
 - b) 0
 - c) >1
 - d) <1
4. The numerical value of Perfectly inelastic demand is?
 - a) 1
 - b) 0
 - c) >1
 - d) <1
5. All money is wealth but all wealth is not money?
 - a) True
 - b) False
6. The cost which do not vary with the change in output is known as
 - a) Fixed Cost
 - b) Variable cost
 - c) Indirect cost
 - d) Direct cost

(B) Do as directed (Definitions / One-liners / Terms) (1 mark each. All Compulsory) (06)

1. What is Economics according to Adam Smith's?
2. Define 'Utility'?
3. What is Value?
4. What is Macro Economics?
5. What is meant by price-elasticity?
6. What is Variable cost?

Q.2 Answer the following. (4 mark each. All Compulsory) (12)

- A. Write a short note on types of utility.
- B. Describe in detail different forms of wealth.
- C. What is meant by Micro Economics? Explain the importance of it.

Q.3 Answer the following. (6 mark each. Any Three out of Four)

(18)

- A. Define Economic system. Explain the types of Economic systems.
- B. Explain the concept of Equilibrium price in detail along with proper diagram.
- C. Discuss different degrees of price elasticity along with diagram.
- D. 'Demand curve downward slopping' – Why? Explain the answer giving appropriate reason for the same.

Q.4 Answer the following. (9 mark each. Any Two out of Three)

(18)

- A. What is supply? Draw and explain supply schedule taking an example of your choice.
- B. What is Demand? Explain in detail the Law of demand along with proper diagram.
- C. What is perfect competition? Explain the features of perfect competition.