

PARUL UNIVERSITY
FACULTY OF COMMERCE
B.Com.(Hons) Summer 2018– 19 Examination

Semester: 1**Date: 27/04/2019****Subject Code: 16100105****Time: 10.30 am to 1.00 pm****Subject Name: Fundamentals of Economics****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.**A) Multiple choice type questions. (Each of one mark)****(06)**

- 1..The consumption of various unit of commodity is?
 - a) Cost
 - b) Demand
 - c) Utility
 - d) Marginal Utility
2. _____ defined as a measure of relative satisfaction gained or lost from an increase or decrease in the consumption of that good or service.
 - a) Utility
 - b) Marginal Utility
 - c) Total Utility
 - d) None
- 3.Creating goods and services means?
 - a) Consumption
 - b) Usage
 - c) Both a b
 - d) Production
- 4..Firms or Individuals or Regions or Countries producing some goods and services which they are best producing at is known as
 - a) Specialization
 - b) Skills
 - c) Distribution
 - d) None of the above
- 5.A _____ is used to illustrate opportunity cost.
 - a) possibility curve
 - b) productioncurve
 - c) production possibility curve
 - d) All of the above
6. _____ is the highest-valued option forgone
 - a) Opportunity cost
 - b) Production cost
 - c) Both a b
 - d) none of the above

B) Definitions / One-liners / Terms. (Each of one mark)**(06)**

1. Macro Economics
2. Embargoes
3. Horizontal FDI
4. Citrus Peribus
5. Equilibrium
6. Giffin Goods

Q.2 Numerical / Short Note Questions. (Each of 04 mark)**(12)**

1. Why Economics is a science of choice?
2. Explain the benefits of International Trade
3. Explain Micro economics in brief.

Q.3 Answer the following. (Any Three)**(18)**

1. Explain shifts in demand curve with the help of diagram.
- 2.Explain what is FDI. Also state its types and explain them in brief
- 3.Law of diminishing marginal utility with the help of Example
4. Explain Expansion & contraction of Supply with the help of diagram.

Q.4 Answer the following. (Any two)**(18)**

1. Explain Law of demand in detail. Also construct a diagram for the same.
- 2.Explain what market equilibrium. Also construct diagram to explain the same.
- 3.Explain the environment related to International Trade in detail.