

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

Semester:1

Subject Code: 16100105

Subject Name: Fundamental of Economics

Date: 06/12/2018

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.****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.