

PARUL UNIVERSITY
FACULTY OF COMMERCE
B.Com.(Hons) Winter 2019– 20 Examination

Semester: 1

Date: 27/11/2019

Subject Code: 16100105

Time: 2.00 pm to 4.30 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. 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
3. A _____ is used to illustrate opportunity cost
 - a) possibility curve
 - b) production curve
 - c) production possibility curve
 - d) All of the above
4. Creating goods and services means?
 - a) Consumption
 - b) Usage
 - c) Both a b
 - d) Production
5. _____ 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
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. Micro Economics
2. Macro Economics
3. Embargoes
4. Giffin Goods
5. Horizontal FDI
6. Citrus Peribus

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

1. Explain what is FDI. Also state its types and explain them in brief
2. Why Economics is a science of choice?
3. Explain shifts in demand curve with the help of diagram.

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

1. Explain the benefits of International Trade
2. Explain Expansion & contraction of Supply with the help of diagram.
3. Law of diminishing marginal utility with the help of Example.
4. Explain Micro economics in brief.

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

1. Explain the environment related to International Trade in detail.
2. Explain what market equilibrium. Also construct diagram to explain the same.
3. Explain the Types of Elasticity of Demand in detail. Construct Diagrams for each type.