PARUL UNIVERSITY
FACULTY OF Law
Integrated B.Com. L.L.B.,/B.B.A. L.L.B., Winter 2016 – 17 Examination

Semester:-1   **Date: 12/12/17**
Subject Code: 16100105   **Time: 10:30 am To 1.00 pm**
Subject Name: Fundamentals of Economics   **Total Marks: 60**

Instructions:
1. Attempt all questions as directed.
2. Figures to the right indicate full marks.
3. Make suitable assumptions wherever necessary.

Q-1(A). Choose the appropriate answer from the following.   (06)
1. Power to satisfy wants is called_____.
    a) Satisfaction   **b)** Utility   **c)** Pleasure   **d)** Goods
2. "Economics is science which studies human behavior a relationship between ends and scare means, which have alternative uses". Whose words are these?
    a) Adam Smith   **b)** Robbins   **c)** A. Marshall   **d)** J.B. Say
3. Horizontal demand curve parallel to X-axis implies that the elasticity of demand is _____
    a) Zero   **b)** Infinity   **c)** Equal   **d)** one
4. AFC + AVC = _____?
    a) TC   **b)** TAC   **c)** MC   **d)** None of these
5. _____ is records of all international transactions of financial assets.
    a) Balance of   **b)** Current account   **c)** Budget   **D)**none of these
    Payment
6   Price of one currency determined against another currency is_____.
    a) An exchange rate **b)** FDI   **c)** Repo Rate   **d)** None of these

Q-1 (B) Give meaning.   (06)
    1) FDI   2) Private cost
    3) Elasticity of Demand   4) Contraction in Supply
    5) Supply   6) Marginal cost

Q-2   Give Answer of following Questions. (each four marks)   (12)
    1. What is good? Explain different types of goods.
    2. When firm earn Super Normal Profit under perfect competition?
    3. Which are the components of Balance of Payment?

Q-3   Answer following Questions. (any Three)   (18)
    1. What are the basic problems of economics?
    2. What are different types of price elasticity?
    3. What is Consumer's Equilibrium?
    4. Explain the effect of change in income and price on budget line.

Q-4   Answer following Questions. (any two)   (18)
A.   What is Indifference Curve? Explain decomposition of Price effect into Income and Substitution effect.
B.   What is Demand? Explain the law of demand with its determinants and exception.
C.   Discuss the shape of AR and MR under Perfect competition and Imperfect competition.