

**PARUL UNIVERSITY**  
**FACULTY OF LAW**  
**I-B.Com LL.B 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.