

PARUL UNIVERSITY
FACULTY OF LAW
I-B.Com.LL.B. Winter 2019 – 20 Examination

Semester : I
Subject Code: 17302102
Subject Name: General Principles of Economics

Date: 02/12/2019
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.**(15)**

(MCQ, True or False, Definitions, Explain terms) (1 marks each. All Compulsory)

1. Economics is primarily a study of _____
[a] Wealth [b] Man
[c] None of these [d] All of these
2. Man's wants are _____ and means to satisfy them are _____.
[a] Limited, Unlimited [b] Unlimited, Limited
[c] Limited, Limited [d] Unlimited, Unlimited
3. The author of the classic book "*Wealth of Nations*" was _____.
[a] Marshall [b] Robbins
[c] Ricardo [d] Adam Smith
4. Goodwill of a business is _____ good.
[a] Material [b] Valuable
[c] Non-material [d] Immaterial
5. Free goods have a great _____.
[a] Value-in-use [b] Value
[c] Value-in-exchange [d] Utility
6. A table is a _____ good.
[a] Material [b] Immaterial
[c] Non-material [d] Furniture
7. Patents and copyrights are _____ goods.
[a] Material [b] High Utility
[c] Non-material [d] Low Utility
8. Air is _____ good.
[a] Economic [b] Necessity
[c] Free [d] Luxury
9. Goods have great _____.
[a] Value-in-use [b] Value-in-exchange
[c] All of these [d] None of these

10. Sand on the seashore is not wealth as it does not possess _____
- [a] Utility [b] Scarcity
[c] All of these [d] None of these
11. Initial utility is the utility of the _____
- [a] First unit [b] Last Unit
[c] All of these [d] None of these
12. A consumer spends his income according to the law of _____
- [a] Diminishing Marginal Utility [b] Equi-marginal Utility
[c] Increasing Cost [d] None of these
13. The more we have of a thing, the less we demand the additional units of it.
- [a] True [b] False
14. When prices rise, demand of a commodity remains constant.
- [a] True [b] False
15. Wealth is a flow.
- [a] True [b] False

Q.2 A) Answer the following: (Each of three marks) (15)

1. Explain Adam Smith's definition of Economics.
2. "Economics is a study of man's actions in ordinary business of life." Explain.
3. Distinguish between Economic Goods and Free Goods.
4. What is Balance of Payment?
5. Write a note on Capital and Current Account.

Q.3 A) Define International Trade. What are the reasons underlining International Trade? (08)

OR

Explain the law of Demand with exceptions/limitations. (08)

B) Explain the Theory of Diminishing Marginal Utility (DMU) along with its limitations/exceptions. (07)

OR

Explain the Law of Supply with limitations/exceptions. (07)

Q.4 A) Explain the Elasticity of Demand in detail. (07)

B) Answer any four of the following (short questions with option) (Each of two marks) (08)

1. Explain the terms Value and Wealth
2. Explain the different types of Economic Systems.
3. Explain the different types of goods.
4. Discuss Foreign Exchange Rate and Its Determinants.
5. Discuss:
 - (a) Utility and Usefulness; and
 - (b) Forms of Utility