

INTRODUCTION TO ECONOMICS (BCA-304)**Duration: 2 Hours****Total Marks: 50**

- Instructions:** 1) All questions are compulsory
 2) Figures to the right indicate full marks.
 3) Begin each question on a new page.

Q1. Answer the following questions: (1x5)

1. State Robbins definition of economics.
2. What is total utility?
3. State any two features of Socialist economy.
4. What are dis-economies of scale?
5. Explain any two determinants of price elasticity of demand.

Q2. Fill in the blanks: (1x5)

1. If a fall in the price of 'Y' results in a decrease in a sale of 'X', the two goods are _____.
2. The formula to calculate average product _____.
3. If the firm has constant returns to scale and it increases its variable factors by 10 percent, output will also increase by _____.
4. Marginal utility is written as _____.
5. Income increases by 20% and demand decreases by 10%, then income elasticity of demand is _____.

Q3a. Explain the Law of Diminishing Marginal Utility . (10)

OR

Q3b. Graphically Illustrate types of price elasticities of Supply. (10)

Q4a. Explain the three stages of Law of returns to scale. (10)

OR

Q4b. Explain the features of labour as a factor of production .Discuss the subsistence theory of wages. (10)

Q5a. What is production function and explain the Law of variable proportion. (10)

OR

Q5 b. Explain with the help of a diagram the Modern Theory of Rent. (10)

Q6a. Discuss the Liquidity Theory of Interest (10)

OR

Q6 b. Explain with the help of a diagram the Ricardian theory of rent. (10)

***** BEST OF LUCK *****