

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. Write the formula to calculate arc elasticity of demand.
2. Give any two examples of variable factors.
3. State any two exceptions of Law of demand.
4. State the Law of diminishing Marginal Utility.
5. What is total cost?

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. When an industry expands all firms get _____.
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 Product is written as _____.
5. If 10% rise in the price of the commodity causes the demand to fall by 20% then demand is _____.

Q3a. Illustrate with the help of diagram types of price elasticity's of supply.

(10)

OR

Q3b. Describe the classification of market on the basis of market structure.

(10)

Q4a. State the Law of Demand and explain the determinants of demand.

(10)

OR

Q4b. With the help of diagram explain advertising elasticity.

(10)

Q5a. Illustrate with the diagram the Law of Variable Proportion.

(10)

OR

Q5b. State the Law of Supply. Construct a market supply schedule with the help of a table and graph.

(10)

Q6a. Discuss the Liquidity Preference Theory of Interest.

(10)

OR

Q6b. Explain the features of Land as a factor of Production. How is rent determined according to the Ricardian Theory.

(10)
