

IMBA (BI/IB/APR) Sem.-7 Examination

BM/IB

EM

Time : 2-30 Hours]

December-2024

[Max. Marks : 70

- Instructions :** (1) This paper contains **FIVE** questions.
 (2) All questions are compulsory.
 (3) Question No. **2, 3, 4** have internal options.
 (4) Figures in the right side in parenthesis indicate marks.

Q:1 What is Economics? Explain briefly the ten principles of economics with suitable examples. (14)

Q:2 (A) What is demand? Explain the law of demand with a suitable diagram and any three determinants of demand. (07)

(B) Solve the following: - (07)

1. Suppose the price elasticity of demand for a good is -0.2. If there is a 5% increase in the price of the good, by what percentage will the demand for the good go down?
2. The initial income of a person is Rs. 2000 and the quantity demanded for the commodity by him is 20 units. When his income increased to Rs. 3000, the quantity demanded by him also increased to 40 units. Find out the income elasticity of demand.

OR

Q:2 Complete the following table:- (14)

Output(units)	1	2	3	4	5
TFC	20	-	-	-	-
TVC	100	-	-	-	-
TC	-	-	-	540	-
MC	-	60	-	-	-
AFC	-	-	-	-	-
AVC	-	-	80	-	-
AC	-	-	-	-	140

Q:3 What is macroeconomics? Explain briefly the definition of GDP and its components. (14)

Nghh-2

OR

Q:3 What is CPI? How is it calculated and what are the problems in measuring the same? (14)

Q:4 Explain the concept of productivity in detail. (14)

OR

Q:4 (A) Explain the various types of trade barriers. (07)

(B) Credit creation is an integral part of commercial banks. How such banks create credit explain the process by taking an appropriate example. (07)

Q:5 Describe the following (Any 4) (14)

1. PPC
2. Circular flow diagram
3. AD and AS
4. NAFTA
5. Diminishing return to capital
6. Diminishing marginal product
7. GDP deflator v/s CPI
8. Perfect competition market