

Seat No. : _____

FD-109

February-2025

Integrated B.Com LL.B. (Hons) Sem.-I

ILB. Com (Hons) – 104

Principles of Economics (Micro)

Time : 2:30 Hours]

[Max. Marks : 70

1. State and discuss definitions of Economics. Bring out the main points involved in them. **18**

OR

Explain the following :

1. (a) Critically discuss the Robbins definition of Economics. **10**
1. (b) State the difference between Micro Economics and Macro Economics. **8**
2. What is Demand & Elasticity of Demand ? Discuss meaning and types of Price Elasticity of Demand in detail. **18**

OR

Explain the following :

2. (a) Write a short note on : Transformation Curve (Production Possibility Curve) **10**
2. (b) Find out Elasticity of Demand : **8**
- (1) The weekly demand for cheap garments went down from 4,000 pieces to 3,000 pieces as the level of real income in the economy increased from \$ 75 per day to \$ 100 per day. The reason is the shift in preference due to the availability of extra money on the back of increased income level. Calculate the income elasticity of demand based on the given information.
- (2) Suppose the price of commodity falls from Rs. 6 to Rs. 5 per unit and due to this quantity demanded of the commodity increases from 100 units to 120 units. Find out the price elasticity of demand.

3. What is market ? Discuss the Market Structure. Discuss concept of Perfect Competition and features of Perfect Competition. **18**

OR

3. (a) Discuss Long – Run Production Function (Law of Returns to Scale). **10**
3. (b) Relationship between Marginal Revenue (MR) and Average Revenue (AR). **8**

4. (a) Write notes on : (Any **two**) **10**
- (i) Goods and Services
 - (ii) Collusive Oligopoly
 - (iii) Price discrimination and dumping
 - (iv) Two persons zero sum game theory
- (b) Choose the most appropriate answer from the following : **6**
- (1) Which one of the following definition of Economics is associated with the name of Lionel Robbins ?
 - (a) Welfare definition
 - (b) Scarcity definition
 - (c) Growth definition
 - (d) Wealth definition
 - (2) The fundamental problem faced by an economy is one of :
 - (a) Exchange
 - (b) Decision making by the government
 - (c) Economic welfare
 - (d) Scarcity of resources and multiplicity of wants
 - (3) Production possibilities curve does not show :
 - (a) What to produce
 - (b) How to produce
 - (c) For whom to produce
 - (d) Productive potential under conditions of underemployment
 - (4) There is/are _____ number of sellers under oligopoly.
 - (a) one
 - (b) two
 - (c) few
 - (d) large
 - (5) As per law of demand, demand and price of a good are _____ related.
 - (a) Directly
 - (b) Inversely
 - (c) Positively
 - (d) Not
 - (6) When price is less than marginal utility, consumer surplus is _____.
 - (a) Positive
 - (b) Zero
 - (c) Negative
 - (d) One
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