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## Sardar Patel University

Vallabh Vidyanagar – 388 120.

**BA (Advanced) EXAMINATION - 2015**

**SEMESTER I**

**UA01CEEC02- Elements of Economic Theory-I**

Date: 22 .04.2015

Time: 10.30 am to 12.30pm

Marks: 60

Note: All the questions are compulsory.

Figures to the right indicate marks.

Draw diagrams wherever necessary

**Q.1 Do as directed –**

**(15)**

- 1) Economics is - (A) Science (B) Arts (C) Arts and Science (D) All of these
- 2) What is the most important characteristic of land ?  
(A) land is immobile (B) Problem of distribution (C) value of land differ  
(D) It is fixed in supply
- 3) Scarcity definition of economics is given by  
(A) Lionel Robbins (B) Alfred Marshal (C) Adam Smith (D) none of these
- 4) There is an indirect relationship between price and quantity \_\_\_\_\_  
(A) demanded (B) supplied (C) production (D) all the above
- 5) Which of the following is an example of substitute goods?  
(A) Ball Pen and Ink (B) Tea and Coffee (C) Rice and Water (D) All of these.
- 6) Price of the product is the most important determinant of \_\_\_\_\_  
(A) Tax Policy (B) Demand (C) taste and preference of consumer (D) None of these
- 7) Supply of a commodity means  
(A) Desire for commodity  
(B) Need for the commodity  
(C) Quantity of commodity supplied at a certain price  
(D) Quantity of commodity supplied at a certain time
- 8) Inductive reasoning is a movement from \_\_\_\_\_  
(A) Particular to general (B) General to particular  
(C) Confusion to clarity (D) All of these.
- 9) Price elasticity of demand is equal to  
(A) % change in quantity demanded / % change in income

- (B) % change in quantity supplied / % change in price
- (C) % change in quantity demanded / % change in price
- (D) All of these.

- 10) Supply curve slopes upwards from left to right due to \_\_\_\_\_  
 (A) Price effect (B) MU (C) MRTS (D) Negative substitution
- 11) Which of the following is the most important economic problem of society?  
 (A) Full employment (B) Reduction of inflation (C) Scarcity of resources (D) All of these.
- 12) Reward for labour is \_\_\_\_\_  
 (A) Wages (B) Profit (C) Leisure (D) Capital
- 13) Which of the following is a micro concept?  
 (A) Per Capital Income (B) Total saving (C) Agricultural growth (D) None of these
- 14) When elasticity of demand is measured in terms of substitute and compliments it is  
 (A) Cross elasticity (B) Arc elasticity (C) Price elasticity (D) All of these.
- 15) \_\_\_\_\_ is the reward for entrepreneur is  
 (A) Profit (B) Interest (C) Wages (D) None of the these.

**Q.2** State and explain law of supply and discuss various factors affecting supply. (15)

**OR**

**Q.2** Discuss the concept and types of price elasticity. (15)

**Q.3** Critically examine Robbins definition of economics. (15)

**OR**

**Q.3** What are the different factors of production? Bring out the characteristics of labour. (15)

**Q.4** Attempt ANY TWO of the following - (15)

- (A) Characteristics of Capital
- (B) Determinants of demand
- (C) Consumer surplus
- (D) Diminishing Marginal Utility

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