

SEAT No. \_\_\_\_\_

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## SARDAR PATEL UNIVERSITY

Semester End Examination 2018

F.Y.B.A (Adv) SEMESTER I

UA01CEEC02- ELEMENTS OF ECONOMIC THEORY

Date: 27<sup>TH</sup> OCTOBER 2018, *Saturday*  
Time: 10.00 AM TO 12.00 PM

Marks: 60

Note: Figures to the right indicate marks.

Draw diagrams wherever necessary

**Q.1 Do as directed –**

(15)

1. Normal demand curve is \_\_\_\_\_ sloping  
A) Positively      B) Negatively      C) Parallel to x axis      D) None of these
2. Most important factor affecting demand is  
(A) Price of the product      (B) Price of other products      (C) Technology      (D) All of these
3. Rise in income of consumer affects the demand for inferior good  
(A) Positively      (B) Negatively  
(C) No effect      (D) None of these
4. With the rise in price of electricity, the demand for air conditioners decreases. It implies that the two goods are  
(A) complementary      (B) substitute      (C) inferior      (D) normal
5. One needs to make choices in economics due to  
(A) scarcity      (B) plenty      (C) limited wants      (D) Unlimited supply
6. Demand for a commodity means  
(A) Desire for commodity      (B) Need for the commodity  
(C) Quantity of commodity demanded at a certain price      (D) all of these
7. Which of these is considered as macro economic concept?  
(A) National Income      (B) Total saving      (C) international trade      (D) all of these.
8. Which is the most important characteristics of land?  
A) imperishable      B) immobile      C) inelastic      D) none of these.
9. Which among is considered as an example of complimentary goods.  
(A) Tea and Coffee      (B) bread and butter      (C) Diesel and Automobile      (D) All of these.

(1)

(PTO)

10. When demand curve is parallel to y axis, it is \_\_\_\_\_.  
 A) Inelastic      B) elastic      C) perfectly elastic      D) None of these
- 11) Most important function of entrepreneur is  
 A) taking risk   B) innovation   C) capital formation   D) none of these
- 12) Consumer surplus is -----
- 13) Inductive method is .....
- 14) Positive economics deal with-----
- 15) Wealth is equal to welfare True/false.

Q.2 What is demand? Explain various factors affecting demand.

OR

- Q.2 Examine Robbins scarcity definition of Economics and discuss how it is more comprehensive than the other definitions. (15)
- Q.3 Explain price, income and cross elasticity of demand. (15)

OR

- Q.3 What is supply? Discuss various factors affecting supply. (15)
- Q4 Explain the concept and types of utility and discuss the concept of consumer surplus. (15)

OR

Writ short note any two

15)

- A) Land  
 B) Labour  
 C) Goods  
 D) Entrepreneur

—x—

(2)