

P P SAVANI UNIVERSITY

First Semester of B. Com Examination

February 2021

SMBC1040 Fundamentals of Basic Economics

23.02.2021, Friday

Time: 10:00 a.m. To 12:30 p.m.

Maximum Marks: 60

Instructions:

1. Make suitable assumptions and draw neat figures wherever required.
2. All questions carry equal marks.
3. Answer the following Questions (Any 12 Questions)

- Q - 1 Define Economics as clearly as you can. [05]
- Q - 2 Describe the nature and scope of Economics. [05]
- Q - 3 What do you understand by Utility? [05]
- Q - 4 Explain the concept of 'Total Utility' with an example. [05]
- Q - 5 State and explain the Law of Diminishing Marginal Utility. [05]
- Q - 6 What is the meaning of the term 'Demand' and what are the main determinants of demand? [05]
- Q - 7 What are the factors that determine the supply of a product and service? [05]
- Q - 8 Explain what are the exceptions to the Law of Demand. [05]
- Q - 9 What do you understand by 'Elasticity of Demand'? Why does the elasticity of demand for Salt, Tea, Motor Car differ. [05]
- Q - 10 In what way is the concept of elasticity of demand useful to: [05]
- a) Businessmen & Monopolists
- b) Ministry of Finance
- c) Industrial Production
- Q - 11 Define the term 'Market Structure' and what are the traditional classification of Market structure. [05]
- Q - 12 Explain the characteristics of i) Perfect Competition and ii) Monopolist. [05]
- Q - 13 Who coined the term 'Monopolistic Competition' and what this market structure implies? [05]
- Q - 14 'Law of Equimarginal utility is also known as law of substitution'- explain the law. [05]
