D 112287	(Pages : 2)	Name
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# FIRST SEMESTER (CUFYUGP) DEGREE EXAMINATION NOVEMBER 2024

Economics/Development Economics/Econometrics and Data Management/Economics with Foreign Trade/Economics with Islamic Finance

# ECO 1CJ 101—PRINCIPLES OF ECONOMICS

(2024 Admission onwards)

Time: Two Hours

Maximum: 70 Marks

#### **Section A**

All questions can be answered. Each question carries 3 marks.

- 1. Why do people face trade-offs? Give situations from real life where people face trade-offs.
- 2. How does international trade influence economic growth?
- 3. What are business risks? Identify the benefits of restricting business risks.
- 4. Value judgement has significant role in economic analysis. Explain.
- 5. Write a note on marginal analysis.
- 6. Differentiate between Microeconomics and Macroeconomics. Give examples.
- 7. Do you agree that markets are usually a good way to organize economic activity?
- 8. The third of Mankiw's four principles of economics, states that 'rational people think at the margin'. Explain.
- 9. Define Laissez-Faire. Pint out its features.
- 10. Assume that an economy produces two goods using the entire resources. Illustrate the marginal rate of transformation using a production-possibility frontier.

(Ceiling: 24 Marks)

Turn over

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## **Section B**

All questions can be answered. Each question carries 6 marks.

- 11. Examine the present choices and future considerations of India as a growing economy.
- 12. The invisible hand is a metaphorfor the unseen forces that move the free market economy. Discuss.
- 13. Consider the complexities of Indian economy and describe five fundamental questions our economy face.
- 14. Do you think that there is real flow and money flow in an economy? Illustrate using a circular flow diagram.
- 15. In the short-run, there is trade-off between inflation and unemployment. Explain.
- 16. Explain role of assumptions in economics. Give suitable examples.
- 17. Differentiate perception versus reality. Why economists disagree?
- 18. If the government prints too much currency, it can lead to inflation. Give the reason narrating the process of price rise.

(Ceiling: 36 Marks)

## Section C

Answer any **one** question.

The question carries 10 marks.

- 19. Differentiate between command system and market system. Examine the role of private property and competition in determining market decisions and priorities.
- 20. The problem of scarcity and choice lies at the very heart of economics. Evaluate the statement highlighting real life situations and discuss society's economising problem.

 $(1 \times 10 = 10 \text{ marks})$