ECONOMICS 2018

| Time: 3Hours | (Regular/Private) | Max.Marks:100 |

Attempt 2 questions from Section-A, 2 from Section-B & 1 from Section-C.

SECTION - A

1. Discuss the basic economic problems faced in a free economy (20)

2. a) Define Price elasticity of demand. Describe the degrees of elasticity of demand. (10)

   b) Calculate Price elasticity of demand of a particular brand of smart phone when price of it decreases from Rs.12,000 to Rs.10,000 and quantity demanded increases from 45,000 sets to 75,000 sets, from both point elasticity of demand formula are arc elasticity of demand formula. (10)

3. a) State the characteristics of a Perfectly Competitive Market. (10)

   b) Explain with the help of diagrams the short run equilibrium of a firm under Perfect Competition. (10)

4. Write short notes on any TWO of the following : (20)

   (i) Properties of Indifference Curves (ii) Laws of Returns

   (iii) Isoquants (iv) Difference b/w Positive and Normative Economics.

SECTION - B

5. According to Keynes, equilibrium level of National Income and Employment is determined when either Aggregate Demand is equal to Aggregate Supply or Saving is equal to Investment. Discuss.. (20)

6. a) Define the term Consumption Function. Discuss the factors that determine Consumption (10)

   b) Discuss relationship b/w Level of Interest Rates & Investment.(10)

7. a) Define Money. Discuss the functions of Money. (10)

   b) Differentiate b/w Monetary Policy & Fiscal Policy. (10)

8. Write short notes on any TWO of the following: (20)

   (i) Marginal Efficiency of Capital (ii) Principle of Multiplier

   (iii) Cost-Push Inflation Vs. Demand Pull Inflation (iv) LM Curves

SECTION - C

9. a) Find the value of (i) Log 18 (ii) Log 54

   Given: Log2=0.3010, and Log 3=0.4771, (10)

   b) Solve the following for x $\dfrac{2x+10}{x+4}+3=\dfrac{x-2}{x-3}+4$

10. a) Given the matrices A and B

$$A=\begin{bmatrix} 2 & 3 & 4 \\ 6 & 1 & 2 \end{bmatrix} \quad B=\begin{bmatrix} 0 & 1 & 3 \\ 4 & 2 & 1 \\ 6 & 2 & 5 \end{bmatrix} \quad \text{Find AB and AB-A}$$

   b) Solve the following equation by using quadratic formula. $2x^2+7x-4=$