

GUJARAT TECHNOLOGICAL UNIVERSITY
BPLAN- SEMESTER- 2 EXAMINATION – SUMMER 2016

Subject Code: 1025501**Date: 26/05/2016****Subject Name: ELEMENTS OF ECONOMICS****Time: 10.30AM-12.30PM****Total Marks: 50****Instructions:**

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

- Q.1 (a) (1)** The concept of '-----' was put forward by Adam Smith **06**
- (a) Invisible Hand (b) Macroeconomics
(c) Visible Hand (d) God's Hand
- (2) HDI stands for -----.
- (a) Human Development of India (b) Human Development Index
(c) Head Demand Index (d) None
- (3) In the long-run of a firm's operation, ----- factor of production can be changed.
- (a) Only Labour (b) Only Land
(c) Any Two (d) All
- (4) When Marginal Cost is above the Average Cost of a product the firm is -----
- (a) Making money (b) No loss no gain
(c) Making loss (d) No Idea
- (5) The ----- price is adjusted for inflation.
- (a) Current (b) Real
(c) Discounted (d) Invisible Price
- (6) GDP stands for -----
- (a) Gross Domestic Parameter (b) Gross Domestic Product
(c) Gross Disinvestment Product (d) Growth Domestic Product
- (b)** Define following terms: (Any Four) **04**
- (1) Economics
(2) Average Product
(3) Macroeconomics
(4) Microeconomics
(5) Monopoly
(6) Primary Sector
- Q.2 (a)** What are the factors of Production? How do the factors of production impact the local economy of a region? Give any one example of a product and list down its factors of production. **05**
- (b)** What is Economics? What is its importance in planning? **05**
- OR**
- (b)** What are the different categories of the sectors of economy on the basis of ownership, nature of activity and conditions of workers? **05**

- Q.3 (a)** What are the 'Price Elasticity of Demand' and 'Price Elasticity of Supply'? **06**
(b) Which factors influence the Price Elasticity of Demand? **04**

OR

- Q.3 (a)** What are 'Law of Demand' and 'Law of Supply'? **06**
(b) Which factors influence the price Elasticity of Supply? **04**

- Q.4 (a)** Define: Fixed Cost, Variable Cost, Total Cost, Average Cost, Marginal Cost **05**

- (b)** What is the Law of Diminishing Returns? Give any one example in detail **05**

OR

- (b)** What is 'Economy of scale'? How is it identified as with respect to different returns to scale? **05**

- Q.5 (a)** Explain what do you understand by the terms, GDP and GNP? What is their importance? **05**

- Q.5 (b)** Write in a tabular format difference between monopoly and oligopoly types of competition with respect to number of producers, degree of product differentiation and degree of firm's control over prices. **05**

OR

- (b)** What is 'Regional Imbalance in Growth'? List down any four indicators used to explain 'Regional Imbalance in Growth' in India. **05**
