Seat No.: ________ Enrolment No.___________

GUJARAT TECHNOLOGICAL UNIVERSITY
BPLAN – SEMESTER II • EXAMINATION – SUMMER 2015

Subject Code: 1025501 **Date:28/05/2015**
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 'collection' of buyers and sellers, that determine the price of a good or set of goods is called as _______________ **06**
(a) Government (b) Market
(c) Merchants (d) Economy

(2) The ---------------- price is adjusted for inflation.
(a) Maximum Retail Price (b) Real
(c) Current (d) Discounted

(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 concept of ' --------' was put forward by Adam Smith
(a) Visible Hand (b) Macroeconomics
(c) God's Hand (d) Invisible Hand

(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) Mixed Economy
(3) Macroeconomics
(4) Microeconomics
(5) Economic Growth
(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'?	**05**
	(b)	Which factors influence the Price Elasticity of Demand?	**05**
		OR	
Q.3	**(a)**	What are 'Law of Demand' and 'Law of Supply'? Explain with proper sketches	**05**
	(b)	Which factors influence the price Elasticity of Supply?	**05**
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	
Q.4	**(a)**	What is 'Economy of scale'? How is it identified as with respect to different returns to scale?	**05**
	(b)	Explain what is GDP, GDP per capita and GNP	**05**
Q.5	**(a)**	What are the different types of market? Give at least one example of products for each type of market	**05**
	(b)	What are the sources of market imperfection?	**05**
		OR	
Q.5	**(a)**	What is national income? What are the indicators used to measure national income? List any three points explaining its importance?	**05**
	(b)	What is 'Regional Disparity'? List down any four indicators used to explain 'Regional Disparity' in India.	**05**

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