Seat No.: ________ Enrolment No.___________

GUJARAT TECHNOLOGICAL UNIVERSITY
BPLAN – SEMESTER 2– • EXAMINATION – SUMMER 2017

Subject Code: 1025501 **Date: 25/05/2017**
Subject Name: ELEMENTS OF ECONOMICS
Time: 10.30AM to 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) Fill in the blanks **05**
1) In a Market, buyers and sellers usually do ___________.
2) Price elasticity of demand is always greater than 1 in ________ demand.
3) A good's maximum retail price (MRP) is called its _________.
4) A firm's total revenue minus total cost gives ________ of a firm.
5) In India, we use _________ as measure of nation's economic growth.

(b) Find out the following statements are True or False: **05**
1) A competitive market is a market in which there are many buyers and very few sellers.
2) Perfectly Inelastic demand curve expands in horizontal direction.
3) Unit Elastic Curve define equal % of price and quantity changes.
4) Any firm's objective is to maximize the profit.
5) Income from informal sectors counts under nation's GDP.

Q.2 (a) Explain about Microeconomics and Macroeconomics **05**
(b) Give the explanation of following terms. **05**
1. Market 2.Demand Curve

OR

(b) Describe Market Equilibrium, Equilibrium Price and Equilibrium Quantity **05**

Q.3 (a) How economics is useful in Urban Planning? **05**
(b) When the Shortage of Quantity occurs? Explain with Graph. **05**

OR

Q.3 (a) What is Competitive Market? Explain with the example. **05**
(b) What is the difference between Surplus and Shortage? Explain with graph. **05**

Q.4 (a) Explain the Elastic and Inelastic curve in Demand **05**
(b) Draw the following graphs for Demand Curve: **05**
1. Perfectly Inelastic Curve
2. Inelastic Curve
3. Unit Elastic Curve
4. Elastic Curve
5. Perfectly Elastic Curve

OR

Q.4 (a) Explain Monopoly and Oligopoly. **05**
(b) What is total revenue? How revenue changes in Inelastic and Elastic demand? **05**

Q.5 (a) What is GDP? What are the components of GDP? **05**
(b) Explain in brief: The growth and development indicators for a nation. **05**

OR

Q.5 (a) What is Price Ceiling and Price Floor? Explain with examples. **05**
(b) Explain the Explicit Cost and Implicit Cost of a Firm with an example. **05**

****