Seat No.: _______________ Enrolment No.: _______________

GUJARAT TECHNOLOGICAL UNIVERSITY

BPLAN – SEMESTER II– • EXAMINATION – WINTER 2016

Subject Code: 1025501 **Date:17/11/2016**

Subject Name: Elements of Economics

Time:02:30 PM to 04:30 PM **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 1) A market is a group of ___________ and __________. 2) Buyers determined by__________ and Sellers determined by _________. 3) The term GDP refers to ______________________. 4) When total cost is higher than total revenue, a firm does ____________. 5) Government revenue generates from ___________.	**05**
	(b)	Explain the following term: 1) Fix Cost 2) Revenue 3) Economics 4) Surplus 5) Taxation	**05**
Q.2	**(a)**	Explain about Microeconomics and Macroeconomics	**05**
	(b)	Describe the Law of Demand and Low of Supply	**05**
		OR	
	(b)	What are the Substitute Goods and Complimentary Goods?	**05**
Q.3	**(a)**	Describe Market Equilibrium, Equilibrium Price and Equilibrium Quantity	**05**
	(b)	Calculate the Price Elasticity of Demand in following example. If the price of an ice cream cone increases from Rs. 30 to Rs. 40 and the amount you buy falls from 25 to 20 cones, then elasticity of demand would be calculated as:	**05**
		OR	
Q.3	**(a)**	What is Competitive Market? Explain with the example.	**05**
	(b)	What is GDP? What are the components of GDP?	**05**
Q.4	**(a)**	Explain the Elastic and Inelastic curve in Demand	**05**
	(b)	When the Shortage of Quantity occurs? Explain with Graph.	**05**
		OR	
Q.4	**(a)**	Explain Income and Expenditure with use of Circular Flow Diagram.	**05**
	(b)	Describe the variety or types of demand curves with use of graphs.	**05**
Q.5	**(a)**	Explain types of Competition.	**05**
	(b)	Explain the Explicit Cost and Implicit Cost of a Firm with an example.	**05**
		OR	
Q.5	**(a)**	What are Price Ceiling and Price Floor? Explain with examples.	**05**
	(b)	What is total revenue? How revenue changes in Inelastic and Elastic demand?	**05**

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