

D 112287

(Pages : 2)

Name.....

Reg. No.....

**FIRST SEMESTER (CUFYUGP) DEGREE EXAMINATION
NOVEMBER 2024**

Economics/Development Economics/Econometrics and Data Management/Economics with
Foreign Trade/Economics with Islamic Finance

ECO 1CJ 101—PRINCIPLES OF ECONOMICS

(2024 Admission onwards)

Time : Two Hours

Maximum : 70 Marks

Section A

All questions can be answered.

Each question carries 3 marks.

1. Why do people face trade-offs ? Give situations from real life where people face trade-offs.
2. How does international trade influence economic growth ?
3. What are business risks ? Identify the benefits of restricting business risks.
4. *Value judgement has significant role in economic analysis.* Explain.
5. Write a note on marginal analysis.
6. Differentiate between Microeconomics and Macroeconomics. Give examples.
7. Do you agree that markets are usually a good way to organize economic activity ?
8. The third of Mankiw's four principles of economics, states that 'rational people think at the margin'. Explain.
9. Define Laissez-Faire. Pint out its features.
10. Assume that an economy produces two goods using the entire resources. Illustrate the marginal rate of transformation using a production-possibility frontier.

(Ceiling : 24 Marks)

Turn over

Section B

All questions can be answered.

Each question carries 6 marks.

11. Examine the present choices and future considerations of India as a growing economy.
12. *The invisible hand is a metaphor for the unseen forces that move the free market economy.* Discuss.
13. Consider the complexities of Indian economy and describe five fundamental questions our economy face.
14. Do you think that there is real flow and money flow in an economy ? Illustrate using a circular flow diagram.
15. *In the short-run, there is trade-off between inflation and unemployment.* Explain.
16. Explain role of assumptions in economics. Give suitable examples.
17. Differentiate perception versus reality. Why economists disagree ?
18. *If the government prints too much currency, it can lead to inflation.* Give the reason narrating the process of price rise.

(Ceiling : 36 Marks)

Section C

*Answer any **one** question.*

The question carries 10 marks.

19. Differentiate between command system and market system. Examine the role of private property and competition in determining market decisions and priorities.
20. The problem of scarcity and choice lies at the very heart of economics. Evaluate the statement highlighting real life situations and discuss society's economising problem.

(1 × 10 = 10 marks)