

**D 132389**

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Name.....

Reg. No.....

**FIRST SEMESTER (CUFYUGP) DEGREE EXAMINATION  
NOVEMBER 2025**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. *To get something you want, you have to give up something else you want. Why ?*
2. What makes the perspective of 'what ought to be' different from the perspective 'what actually is' ?
3. Analyse the issue of unemployment as a hindrance of a growing economy.
4. How do markets and prices influence the economic growth ?
5. What are capital goods ? Give examples.
6. Identify the fundamental problems of an economy.
7. *Rational people think at the margin.* Substantiate your arguments.
8. Do you support printing money as a solution to overcome economic issues ? Explain.
9. Differentiate between perception and reality.
10. How the market system deals with risk ?

(Ceiling : 24 Marks)

**Turn over**

**Section B**

*All questions can be answered.*

*Each question carries 6 marks.*

11. Assume that an economy's ability to produce goods and services increased. How do you judge its standard of living ?
12. Prove that when unemployment is low, inflation tends to be high, and when unemployment is high, inflation tends to be low.
13. *Marginal analysis is important because it helps business strategists to determine where they should allocate their resources. Discuss.*
14. Examine why choices are necessary in a society.
15. Describe the role of international trade in fulfilling current choices and future possibilities.
16. Compare and contrast the features of capitalism and socialism.
17. *Business risk is influenced by a number of different factors. Explain benefits of restricting business risks.*
18. Does market fail ? Suggest measures taken by governments to improve market outcomes.

(Ceiling : 36 Marks)

**Section C**

*Answer any **one** question.*

*The question carries 10 marks.*

19. *The principle of the invisible hand implies the tendency of the prices in the market to direct the individuals in following their own self-interest into productive activities.*

Critically evaluate the statement comparing it with the command system.

20. Describe how an economic model simplify the reality with the help of flow of money in an open economy.

(1 × 10 = 10 marks)