

**B. Tech. SEM -II (Computer Science & Business Systems) (CBCS
2018 Course) : SUMMER - 2019**

SUBJECT: FUNDAMENTALS OF ECONOMICS

Day: Wednesday
Date: 29/05/2019

S-2019-2522

Time : 10.00 AM To 01.00 PM
Max., Marks: 60

N.B.

- 1) All Questions are **COMPULSORY**.
- 2) Figure to the right indicates **FULL** marks.
- 3) Assume suitable data wherever necessary
- 4) Draw neat and labeled diagrams wherever necessary.

Q.1 "Product price is only determinant of demand". Do you agree with the statement? **(10)**
Justify your answer.

OR

What is elasticity? Explain various types of elasticity of demand

Q.2 Pankaj divides his income between tea and biscuits. Heavy rainfall in the city **(10)**
causes for rise in the price of tea.

I) Show the effect of rainfall on budget constraint.

II) Show the effect of rainfall on optimum consumption assuming income effect

OR

Discuss the concept of consumer equilibrium with suitable diagram. How change in price, income and substitute affects consumer equilibrium?

Q.3 "Monopoly market differs from monopolistic market" Explain the statement with **(10)**
characteristics of Monopoly and Monopolistic market.

OR

Draw total cost curve, average cost curve and marginal cost curve for a typical firm in short run.

Q.4 "Government sector and external sector carries lots of significance in **(10)**
macroeconomic environment". Explain the statement with suitable examples.

OR

"Process of GDP calculation is inclusive of various difficulties" Justify your opinion on the statement.

Q.5 "Phases of business cycle impact economy in numerous ways" Do you agree with **(10)**
the statement? Justify your answer with the help of various phases of business cycle.

OR

"Role of RBI is very crucial in controlling circulation of money in economy". Justify your opinion.

Q.6 "Current unemployment rate of India is 6.10%" Explain your views about the **(10)**
statement with various types of unemployment.

OR

What is classical paradigm? What are price and wage rigidities?

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