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Parasat, Kolkata-700125



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BRAINWARE UNIVERSITY

Term End Examination 2024-2025

Programme – B.A. LL.B.-2022/B.A. LL.B.-2023

Course Name – Economics I

Course Code - BALLB402

(Semester IV)

Full Marks : 60

Time : 2:30 Hours

[The figure in the margin indicates full marks. Candidates are required to give their answers in their own words as far as practicable.]

Group-A

(Multiple Choice Type Question)

1 x 15=15

1. Choose the correct alternative from the following :

- (i) Select the two components of the price effect.
 - a) Substitution and income effect
 - b) Demand and supply
 - c) Price and quantity
 - d) Cost and revenue
- (ii) Select the reason why the demand curve slopes downward.
 - a) Higher price increases demand
 - b) Lower price increases demand
 - c) Consumers buy randomly
 - d) Demand does not change with price
- (iii) Select the condition where substitution effect is strongest.
 - a) When goods have close substitutes
 - b) When goods have no substitutes
 - c) When switching costs are high
 - d) When the price remains constant
- (iv) Choose the reason why consumers buy more when prices drop.
 - a) Price decrease increases real income
 - b) Consumers avoid low-cost goods
 - c) Demand remains unchanged
 - d) People dislike expensive products
- (v) Choose the correct definition of income effect.
 - a) Change in demand due to a price drop
 - b) Increase in real income leading to higher demand
 - c) Increase in production cost
 - d) Fall in supply due to higher demand
- (vi) Select the correct meaning of expansion in demand.
 - a) Increase in demand due to lower price
 - b) Demand shifts due to income rise
 - c) Increase in supply
 - d) Increase in price
- (vii) Select the correct definition of price elasticity of demand.
 - a) Measures the sensitivity of quantity demanded to price changes
 - b) Measures the quantity demanded at various price points
 - c) Measures the total revenue from sales
 - d) Measures the cost of production relative to price
- (viii) Select which of the following is NOT a reason price elasticity of demand is useful for firms.

- a) It helps predict the impact of price changes
 b) It helps firms set price points for products
 c) It helps firms maximize profits through pricing decisions
 d) It helps determine the exact quantity demanded at any price
- (ix) Select the key concept behind price elasticity of demand.
 a) The change in supply in response to a price change
 b) The change in quantity demanded in response to a price change
 c) The change in production costs relative to demand
 d) The change in revenue due to a price increase
- (x) Identify the factors that can influence an individual's demand for a product.
 a) Price and supply
 b) Income, tastes and preferences, price of related goods, and expectations
 c) Market competition
 d) Government regulations
- (xi) Identify the situation of happening of the quantity demanded by an individual, when the price of a good increases.
 a) Quantity demanded increases
 b) Quantity demanded decreases
 c) Quantity demanded remains constant
 d) Quantity demanded fluctuates randomly
- (xii) Identify the nature of good where the demand for a good increases proportionally more than the change in price.
 a) Elastic
 b) Inelastic
 c) Unitary elastic
 d) Perfectly elastic
- (xiii) Identify the happening if taste and preferences of a consumer for a specific type of chocolate is going to improve.
 a) Demand decreases
 b) Demand increases
 c) Demand remains unchanged
 d) Demand becomes inelastic
- (xiv) Identify the feature that Market demand refers to.
 a) Total quantity of a good or service demanded by all consumers in the market at a given price and time.
 b) Quantity of a good or service demanded by a single consumer
 c) Quantity of a good or service supplied by producers in the market
 d) Quantity of a good or service demanded by a producer.
- (xv) Identify the statement of The law of demand states.
 a) Price and demand are unrelated
 b) Price and demand have an inverse relationship
 c) Price and demand have a direct relationship
 d) Demand remains constant regardless of price changes

Group-B

(Short Answer Type Questions)

3 x 5=15

2. Explain conspicuous necessities. (3)
 3. Explain the nature of human wants in economics. (3)
 4. Explain the Marginal Rate of Substitution (MRS). (3)
 5. Explain the consumer's equilibrium condition. (3)
 6. Explain the law of diminishing marginal utility. (3)

OR

Explain the concept of total utility and marginal utility. (3)

Group-C

(Long Answer Type Questions)

5 x 6=30

7. Explain the credit control policies of RBI. (5)
 8. Explain the objective of e-banking in India. (5)

- 9. Assess in your own word the special relationship between banker and customer of any commercial bank. (5)
- 10. Explain how do government policies regulate monopolies. (5)
- 11. Explain the Keynesian theory of money demand. (5)
- 12. Explain the main functions of a commercial bank. (5)

OR

Explain role of a central bank in an economy. (5)

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