

School of Law**Integrated Bachelor of Arts - Bachelor of Law
Mid Term Examination - Nov 2023****Duration : 90 Minutes
Max Marks : 50****Sem I - D1UA122T - Economics-I Micro and Macro**General Instructions*Answer to the specific question asked**Draw neat, labelled diagrams wherever necessary**Approved data hand books are allowed subject to verification by the Invigilator*

- 1) Elaborate on the assumptions of cardinal utility theory and its significance. K2 (2)
- 2) Define the term "marginal rate of substitution" and explain its role in consumer choices. K1 (3)
- 3) How does the Law of Supply interact with the Law of Demand, and what happens in the market when the supply of a product increases or decreases in response to changes in demand and price? K2 (4)
- 4) Illustrate the concept of elasticity using diagrams for different scenarios, such as a unitary elastic demand curve. K2 (6)
- 5) Define the origin of macroeconomics. K3 (6)
- 6) What is the meaning of macroeconomic equilibrium. K3 (9)
- 7) Plan an experiment to study the relationship between investment and economic growth. K4 (8)
- 8) Classify the types of relationships that exist between government spending and GDP. K4 (12)

OR

- Outline the circular flow of income in a two-sector economy, including households and businesses K4 (12)