



**HL-014-003412**

Seat No. \_\_\_\_\_

**M. P. M (Sem. IV) (CBCS) Examination**

**May / June – 2017**

**Macro & Micro Economics**

**Faculty Code : 014**

**Subject Code : 003412**

Time : 3 Hours]

[Total Marks : 80

- Instructions :** (1) Answer any three from each section except question 1 and 5 are compulsory.  
(2) Figures to right indicate marks  
(3) Draw neat and clean diagram when required

**SECTION – I**

- 1** Answer any **seven** out of given 10 questions : **2×7=14**
- (1) State Different types of Economics.
  - (2) What is Willingness to Pay?
  - (3) Define Scarcity.
  - (4) What do you mean by Free Rider.
  - (5) Define Marginal Rate of Substitution.
  - (6) What is Market Efficiency?
  - (7) Define Negative and Positive Externalities.
  - (8) What is Price Elasticity?
  - (9) Define Economics.
  - (10) Define Cost Benefit Analysis.
- 2** Answer the Following :
- (A) What is Economics? And differentiate between **7**  
Macroeconomics and Microeconomics
  - (B) Explain Principle of Economics related to "How do **6**  
People Make Decisions

- 3** Answer the Following :
- (A) Explain in details Price Elasticity of Demand with diagram **7**
- (B) What is Ability to Pay Principle ? Explain in detail **6**
- 4** Answer the Following :
- (A) Write short note on Dead. Weight Loss and Administrative Burden **7**
- (b) Explain Types of Economics **6**

### SECTION – II

- 5** Answer any **two** out of three : **2×7=14**
- (1) Explain the concept of Total Revenue with diagram
- (2) Explain Principle of Economics related to "How the Economy as a Whole Works
- (3) Explain Why is Gasoline taxed so heavily?
- 6** Answer the Following :
- (A) Explain Principle of Economics related to "How the Economy as a Whole Works. **7**
- (B) Describe in brief Public Policies towards Externalities **6**
- 7** Answer the Following :
- (A) Explain in detail how Price Ceiling affect the Market Outcomes with appropriate Diagram **7**
- (B) Explain in detail Price Elasticity of Supply with Diagram. **6**
- 8** Answer the Following :
- (A) Explain the concept of Budget Constraint. **7**
- (B) Explain the concept of Producer Surplus. **6**