

Mid Semester Test: August-2016

Principles of Economics

**GUJARAT NATIONAL LAW UNIVERSITY  
GANDHINAGAR**

**Course: Principles of Economics  
Semester-I (Batch: 2016-21)**

**Mid Semester Test: August-2016**

**Date: 11<sup>th</sup> August, 2016**

**Duration: 2 hours**

**Max. Marks: 30**

**Instructions:**

- Read the questions properly and write the answers in the given answer book.
- The respective marks for each question are indicated in-line.
- Do not write any thing on the question paper.
- Indicate correct question numbers in front of the answers.
- No questions or clarifications can be sought during the exam period, answer as it is, giving reason, if any.

- |  | <b>Marks</b> |
|--|--------------|
| Q.1 Answer <b>any three</b> of the following questions, along with diagrams, where applicable,       | (3x2=<br>06) |
| (a) What should be the contribution from different sectors towards the GDP for a developing economy? |              |
| (b) What is efficient cost, efficient price and efficient quantity?                                  |              |
| (c) What is market failure?  |              |
| (d) Explain the concept of independent utility, as assumed in the Cardinal analysis.                 |              |
| Q.2 Answer <b>any four</b> of the following questions, along with diagrams, where applicable,        | (4x6=<br>24) |
| (a) Derive and explain the Law of Supply.  |              |
| (b) Derive and explain the Law of Diminishing marginal utility.                                      |              |
| (c) Explain the efficient liability system as an efficient exchange system?                          |              |
| (d) Apply the demand supply analysis to the Rent Control Act and discuss the associated problems.    |              |
| (e) Derive and explain the Law of Demand from the Equi marginal principle.                           |              |

\*\*\*\*

