

Mid Semester Test: August-2017

Principles of Micro-Economics

**GUJARAT NATIONAL LAW UNIVERSITY  
GANDHINAGAR**

**Course: Principles of Micro-Economics  
Semester-I (Batch: 2017-22)**

**Mid Semester Test: August-2017**

**Date: 23<sup>rd</sup> August, 2017**

**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 anything 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 the following in brief along with diagrams, wherever applicable ( <b>any five</b> ):         | (5x2=10)     |
| (a) Explain market failure.   |              |
| (b) Explain dead weight loss.   |              |
| (c) Explain the impact of law on scale of production.   |              |
| (d) Explain transaction cost.   |              |
| (e) Explain consumer and producer surplus.  |              |
| (f) Explain pivotal shift of supply curve.  |              |
| Q.2 Answer the following in detail along with diagrams, wherever applicable ( <b>any four</b> ):        | (4x5=20)     |
| (a) Explain the liability system as an exchange system in terms of market for crime.                    |              |
| (b) Explain the law of Equi marginal principle and how can it be used in attaining deterrence.          |              |
| (c) Explain the price effect for a Giffen good.   |              |
| (d) Explain the application of demand and supply to the minimum support price policy of the Government. |              |
| (e) Explain the features of an Indifference curve.  |              |
| (f) Explain how efficient laws can enhance the circular flow of Income.                                 |              |

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