1. (a) Give wealth and scarcity - definition of economics
    (b) Define opportunity cost principle.
    (c) What do you understand by time value of money?
    (d) What are the criticisms to the law of diminishing marginal utility? (5*4)

SECTION – A

2. Define micro economics. Which is the most appropriate definition of economics according to you and why. (20)

3. State and explain the principle of equi-marginal principle. (20)

4. Define the term utility. Distinguish between total utility and marginal utility and show that the concept of consumer’s surplus is based on this distinction. (20)

SECTION – B

5. Explain the difference between increase in demand and extension of demand and decrease in demand and contraction of demand. Discuss the condition under which increase in price leads to increase in demand. (20)

6 (a) What is the relationship between LAC, LMC, SAC, SMC.
    (b) Does marginal cost always fall when average cost is decreasing? Explain with the help of diagram. (10*2)

7. Define oligopoly market. Discuss the shape of AR and MR curve under oligopoly market. What are the causes behind kink-shaped curve? (20)