

KERALA AGRICULTURAL UNIVERSITY

BS.c (Hons) Forestry 2016 Admission

1st Semester Final Examination-March-2017

Cat. No: Bass 1104

Title: Basic Economics (1+0)

Marks: 50

Time : 2 hours

I. Choose the correct answer:

(10 x 1=10)

1. The capacity of a good to command other things in exchange is called -----
(a) Utility (b) Value (c) Cost (d) Price
2. The want satisfying power of a commodity is called as -----
(a) Value (b) Price (c) Marginal utility (d) Utility
3. For a perfectly elastic demand curve, the elasticity value will be -----
(a) Less than zero (b) Less than one (c) Greater than one (d) Infinite
4. As income increases, the percentage income spent on food -----
(a) Increases (b) Decreases (c) Remains unchanged (d) Increases and then decreases
5. Factor-factor relationship is concerned with -----
(a) What to produce? (b) How much to produce? (c) How to produce? (d) Whom to produce

Match the following:

- | | | |
|--------------------------------------|---|----------------|
| 6. Storage | A | Lionel Robbins |
| 7. Wealth definition of Economics | B | Time utility |
| 8. Transportation | C | Real income |
| 9. Standard of living | D | Adam Smith |
| 10. Scarcity definition of Economics | E | Place utility |

Write short notes on ANY FIVE:

(5 x 2=10)

1. Engel's law of family expenditure.
2. Demand pull inflation and cost push inflation.
3. Microeconomics and macroeconomics.
4. Characteristics of wants.
5. Welfare economics.
6. Extension of demand and increases in demand.
7. Law of equi-marginal utility.

Write answers on ANY FIVE:

(5 x 4=20)

1. Briefly explain consumer surplus? What is the importance of consumer surplus?
2. Explain factor-product relationship?
3. What is law of demand? Explain exceptions to the law of demand?
4. Define elasticity of demand? Explain the different types of elasticity of demand?
5. Explain circular flow of money with the help of a diagram.
6. What are the factors of production? Explain the role of these factors in the process of production.
7. Define agricultural economics? Discuss the subject matter and importance of agricultural economics.

IV. Write essay on any ONE

(1 x 10=

1. Explain the law of diminishing marginal utility. What are the assumptions, implications and limitations of the law?
2. What is inflation? What are the causes and effects of inflation? Explain the measures to control inflation?
