



KERALA AGRICULTURAL UNIVERSITY
B.Sc. (Hons.) Forestry 2018 Admission
I Semester Final Examination-February 2019

Bass.1104

Basic Economics (1+0)

Marks: 50
Time: 2 hours

I State True or False (10x1=10)

- 1 Angel's law of family expenditure is an observation in economics that as income rises, the proportion of income spent of food rises as expenditure on food rises.
- 2 Utility of a product refers to its capacity or ability to satisfy human wants.
- 3 The law of demand states that the demand for a product is directly related to its price, other factors remaining constant.
- 4 Macroeconomics is also known as Price Theory.
- 5 Contraction in demand occurs when the quantity demanded of a product falls due to a change in the factors other than price.

Define the following

- 6 Goods and Services.
- 7 Production
- 8 Law of supply
- 9 Macroeconomics
- 10 Price elasticity of demand

II Write Short notes on any FIVE of the following (5x2=10)

- 1 Consumer surplus.
- 2 Types of Returns of Scale.
- 3 Law of Diminishing Marginal Utility
- 4 Classify economic wants with examples.
- 5 Circular flow money with a model for example.
- 6 Three production relations.
- 7 Division of Labour.

III Answer any FIVE of the following. (5x4=20)

- 1 Factors determining demand
- 2 Various types of elasticity
- 3 Relationship between Economics and other disciplines.
- 4 Differentiate between microeconomics and macroeconomics
- 5 Differentiate between extension and contraction in demand
- 6 Characteristics of capital and phases in capital formation.
- 7 Subject matter, scope and importance of Agronomics

IV Answer any ONE of the following (1x10=10)

- 1 Theory of demand, the nature of the demand curve and the effects of changes of demand on the demand curve with diagrams.
- 2 Inflation- types and causes, with diagram.
