



PBE-1612070701040700 Seat No. _____

M. P. M. (Sem. IV) (CBCS) Examination

November / December - 2018

Macro and Micro Economics

Time : 3 Hours]

[Total Marks : 80

- Instructions :** (1) Answer any three from each section including question 1 and 5 which are compulsory.
(2) Figures to right indicate marks.
(3) Draw neat and clean diagram when required.

SECTION – I

- 1** Answer any **seven** out of given 10 questions. **2×7=14**
- (1) Explain the term Economics.
 - (2) What is Total Surplus and its formula ?
 - (3) Explain Rivalry in terms of Economics.
 - (4) Define Negative and Positive Externalities.
 - (5) What is Efficiency ?
 - (6) What is formula of Price Elasticity of Demand ?
 - (7) Mention one difference between Macro and Micro Economics.
 - (8) How is willingness to pay related to Economics ?
 - (9) What do you understand by Welfare Economics ?
 - (10) Define Cost Benefit Analysis.
- 2** Answer the following :
- (a) Explain two extreme examples of Indifference Curve with diagram. **7**
 - (b) Describe in brief Public Policies towards Externalities. **6**
- 3** Answer the following :
- (a) Write short note on Deadweight Loss and Administrative Burden. **7**
 - (b) What is Cost Benefit Analysis ? Explain in detail. **6**

- 4 Answer the following :
- (a) Explain the concept of Producer Surplus. 7
 - (b) What is Ability to Pay Principle ? Explain in detail. 6

SECTION – II

- 5 Answer any **two** out of three : 7×2=14
- (1) What is Current Economic Crisis ? Explain in your words.
 - (2) How the economy works as a whole ?
 - (3) What are different types of goods ?
- 6 Answer the following :
- (a) Explain in detail Price Elasticity of Demand with diagram. 7
 - (b) Explain Principle of Economics related to “How do People Make Decisions ?” 6
- 7 Answer the following :
- (a) Explain the concept of Total Revenue with diagram. 7
 - (b) Explain why is Gasoline taxed so heavily ? 6
- 8 Answer the following :
- (a) Explain Price Elasticity of supply with diagrams. 7
 - (b) Explain in detail four properties of indifference curve with diagram. 6
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