

Roll No



**PRESIDENCY UNIVERSITY
BENGALURU**

SET A

**SCHOOL OF LAW
END TERM EXAMINATION - JAN 2024**

Semester : Semester I - 2023

Course Code : BAL2009

Course Name : Introduction to Economics

Program : BA LLB Honors

Date : 12-JAN-2024

Time : 1:00 PM - 4:00 PM

Max Marks : 100

Weightage : 50%

Instructions:

- (i) Read all questions carefully and answer accordingly.
- (ii) Question paper consists of 1 part.
- (iii) Scientific and non-programmable calculator are permitted.
- (iv) Do not write any information on the question paper other than Roll Number.

ANSWER ALL THE QUESTIONS

10 X 10M = 100M

1. Provide concise explanations for the following:

1. The application of economics within the legal framework.
2. Factors influencing the demand for a commodity.
3. The concept of a production possibility frontier.
4. The responsiveness of supply to changes, known as elasticity of supply.
5. The value of the next best alternative foregone, often referred to as opportunity cost.

(CO1) [Comprehension]

2. 1. What is the Law of Demand, and how does it affect consumer behavior?

2. Explain the concept of a market and its different types.

3. Define the term "invisible hand" in economics.

4. What is the Circular Flow Model, and how does it represent the flow of goods and money in an economy?

5. Discuss the concept of economic efficiency and its different types.

(CO1) [Comprehension]

3. As a consultant for a beverage company exploring the introduction of a new line of flavored water, your task involves elucidating the concept of diminishing marginal utility. In this consultancy, you are expected to clarify the law of diminishing marginal utility through a schedule and diagram. Additionally, provide a concise overview of how this law impacts consumer decision-making, particularly in the context of consuming a product such as flavored water.

(CO2) [Comprehension]

4. Fill in the table below::

Price of the commodity	Quantity Demanded	Total Outlay (Total Revenue)	Elasticity
10	5 kg		
8	8 kg		
6	12 kg		
4	18 kg		
2	32 kg		
1	50 kg		

(CO2) [Comprehension]

5. Examine instances where the law of demand deviates and provide illustrations and diagrams to illustrate these exceptions.

(CO3) [Comprehension]

6. Fill the following table related to cost function:

Quantity	0	1	2	3	4	5	6
TFC (Rs. 3000)	3000						
TVC	0					5000	
TC	3000	4000	4800	5400	6200	8000	10200
AC							
AVC							

(CO3) [Application]

7. Explain the theory of cost and the production function in microeconomics. Discuss the key concepts, such as fixed and variable costs, total cost, marginal cost, average cost, and the relationships depicted by the production function. Additionally, use diagrams or mathematical representations to illustrate these concepts and their interconnections. Highlight the economic implications of understanding the cost structure and production function for firms in different market structures.

(CO4) [Application]

8. Elucidate the Law of Variable Proportion within the realm of production economics. Highlight the fundamental principles inherent in this law and delve into the stages of production it delineates.

(CO4) [Application]

9. Discuss the key characteristics of oligopoly and the concept of the kinked demand curve. Explain how firms in an oligopolistic market behave according to the kinked demand curve model. Discuss the implications of the kinked demand curve for price rigidity and the strategic interdependence of firms in an oligopoly.

(CO5) [Application]

10. Differentiate between monopoly and monopolistic competition by examining their key characteristics and market structures.

(CO5) [Application]