

**B A, B SC, B COM DEGREE END SEMESTER EXAMINATION - NOVEMBER 2024****UGP (HONS.) SEMESTER - 1: MULTI DISCIPLINARY COURSE IN ECONOMICS****COURSE: 24UECOMDC101 – ESSENTIALS OF ECONOMICS***(For Regular 2024 Admission)*

Time: 1.5 Hours

Max. Marks - 50

**Part A- Short Answers***Answer any FIVE of the following questions not exceeding 40 words.*

1. What is marginal utility?
2. State the Law of Supply.
3. List the factors influencing individual demand.
4. Explain how indirect taxes can impact consumers.
5. Briefly describe one potential negative consequence of excessive public debt.
6. Enumerate the three main sectors contributing to India's GDP.
7. What is the primary goal of fiscal policy during an economic recession?
8. Differentiate between a "spot" and a "forward" exchange rate?

(2 x 5 = 10 marks)

**Part B –Short Essay***Answer any five of the following questions not exceeding 150 words.*

9. Describe the three fundamental economic problems faced by every society, regardless of its level of development.
10. Illustrate the relationship between total utility and marginal utility.
11. Imagine you are a farmer growing mangoes. A news report predicts a bumper mango harvest this year. How could this news, combined with your understanding of the Law of Supply, influence your decisions about pricing and selling your mangoes?
12. Why is the Finance Commission considered crucial for maintaining fiscal federalism in India?
13. Analyze the impact of increasing the Goods and Services Tax (GST) on essential commodities like food grains. How might this affect different income groups in India?
14. Explain the concept of 'vertical devolution' of resources in Indian federal finance. How does this differ from 'horizontal devolution'?
15. Differentiate between a fixed exchange rate system and a floating exchange rate system. What are the potential advantages and disadvantages of each?
16. Explain how the phases of a trade cycle are interconnected.

(8 x 5 = 40 marks)

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