

This question paper contains 4 printed pages]

his

Your Roll No.....

8865

**B.Sc. (Hons.) Computer Science/V Sem. C**

**Paper – CS-505 : ECONOMICS**

(Admissions of 2001 and onwards)

Time : 3 Hours

Maximum Marks : 75

(Write your Roll No. on the top immediately on receipt of this question paper.)

Attempt any Five questions.

All questions carry equal marks.

1. (a) 'Scarcity is at the root of the central problems of an economy.' Comment 5
- (b) What is a production possibility curve (PPC) ? Differentiate between the movement along the PPC and the shift of the PPC. 10

P.T.O.

( 2 )

8865

2. (a) Price of a commodity falls from Rs. 4 to Rs. 3 per unit. As a result total expenditure on the commodity rises from Rs. 200 to Rs. 300. Find out the price elasticity of demand. 5
- (b) What are price controls ? Give one example of each. 10
3. (a) Derive the price and income consumption curves using indifference curves. 8
- (b) A consumer consumes two normal goods—X and Y. Using indifference curve analysis show the decomposition of the price effect into substitution and income effect when the price of good X falls. 7
4. (a) Discuss the three stages of production using the total product (TP), average product of labour ( $AP_L$ ) and marginal product of labour ( $MP_L$ ) curves. 9

(b) Complete the following table :

6

| Quantity | Total Cost | AVC | AFC | MC |
|----------|------------|-----|-----|----|
| 0        | 30         |     |     |    |
| 1        | 50         |     |     |    |
| 2        | 66         |     |     |    |
| 3        | 72         |     |     |    |
| 4        | 94         |     |     |    |
| 5        | 130        |     |     |    |

5. (a) Compare and contrast the equilibrium conditions under perfect competition and monopoly. 10
- (b) Explain the concept of Nash equilibrium using the example of 'prisoner's dilemma'. 5
6. (a) Define aggregate demand and aggregate supply. Show the equilibrium level of income using the aggregate demand-aggregate supply approach. 8

P.T.O.

- (b) What are the main functions of money ? What are the key instruments of credit control used by the monetary authorities ? 7

7. Write notes on any two : 7½, 7½

- (a) Difference between net domestic product at factor cost ( $NDP_{FC}$ ) and net domestic product at market prices ( $NDP_{MP}$ );
- (b) Main features of a business cycle;
- (c) Change in quantity supplied and change in supply;
- (d) Investment multiplier.