

Reg. No.:



Name:

University of Kerala

W7590

First Semester FYUGP Degree Examination, December 2025

Discipline Specific Core Course

ECONOMICS

UK1DSCECO100 - Principles of Economics

Academic Level: 100-199

2025-Admission

Time: 2 Hours(120 Mins)

Max. Marks: 56

**Part A.6 Marks:Time 5 Minutes.(Cognitive Level :Remember(RE)/Understand(UN)) Objective Type.1 mark each,
Answer all questions**

Qn No.	Question	CL	CO
1	According to the theory of absolute advantage, a country should specialize in producing goods that: Options : A)It can produce at the lowest opportunity cost B) It can produce more efficiently than other countries C) It imports at a lower price D)It consumes the most domestically	RE	1
2	Which of the following is the main feature of a capitalist economy? Options : A)A. Central planning B)B. Government ownership of resources C)C. Profit motive D)D. Equal distribution of income	RE	1
3	The term Inflation means Options : A)A fall in the general price level B)A rise in the general price level C)A decrease in the value of money D) B and C	UN	3
4	When price increases and quantity demanded decreases, this shows: Options : A)a) Shift of demand curve B)b) Movement along demand curve C)c) Elastic supply D) d) Perfect elasticity	UN	2
5	The elasticity of demand for salt is Options : A)Highly elastic B)Unit Elastic C)Inelastic D)Perfectly elastic	UN	1
6	Development refers to:	UN	4

Qn No.	Question	CL	CO
	Options : A)Increase in growth only B)Inclusive growth with quality of life C)Increase in income only D)None		

Part B.10 Marks.Time:20 Minutes (Cognitive Level:Understand(UN)/Apply(AP))Two-three sentences.2 marks each.Answer all questions

Qn No.	Question	CL	CO
7	Explain the concept of economic development versus economic growth.	UN	4
8	What is economics, and how does it relate to the concept of scarce resources and human choices?	UN	2
9	Given a PPF for two goods, identify which points represent efficient, inefficient, and unattainable production.	AP	1
10	Explain the principle of comparative advantage with an example involving international trade	AP	4
11	What is meant by instability of output in an economy?	AP	2

Part C.16 Marks.Time:35 Minutes.(Cognitive Level :Apply(AP)/Analyse(AN))Short Answer.4 marks each, Answer all 4 questions,choosing among options * within each question

Qn No.	Question	CL	CO
12	A) Explain the law of demand using a diagram. OR B) Apply the concept of unemployment to classify different types of unemployment.	AP	3, 2
13	A) Is welfare economics included in Positive or Normative Economics? OR B) Suppose a country's GDP grows, but its HDI ranking falls. Apply macroeconomic understanding to explain possible reasons for this paradox	AP	4, 3
14	A) Diagrammatically explain the Law of Returns to scale	AN	3, 2

Qn No.	Question	CL	CO
	OR B) Examine the determinants of demand		
15	A) Why is income considered to flow in a circular manner between households and firms? OR B) Compare capitalism and socialism.	AN	5, 4

Part D.24 Marks.Time: 60 Minutes.(Cognitive Level :Analyse(AN)/Evaluate(EV)/Create(CR)) Long Answer 6 Marks each.Answer all 4 questions choosing among options * within each question

Qn No.	Question	CL	CO
16	A) 16b Discuss the role of international trade in economic development. what are the potential drawbacks of relying on trade for economic growth? OR B) Analyse the effect of varying price elasticities among different goods on total revenue for firms selling multiple products.	AN	4, 1
17	A) Evaluate the three stages of Production with a suitable graph and schedule. OR B) Discuss the various methods of measuring national income. What are the difficulties encountered in national income estimation?	EV	2, 2
18	A) Evaluate NNP at factor cost as national income OR B) Evaluate the major indicators of economic development. Explain their limitations.	EV	4, 3
19	A) Explain the relationship between TC, AC and MC with an example (use table and graph).	CR	2, 4

Qn No.	Question	CL	CO
	OR B) Design a new system for measuring national income that incorporate the value of environmental quality and sustainable development		