

Time: 90 Minutes

Marks: 40

Date: 18.11.2025

*Instructions:*

1. *Non-scientific calculators are allowed*
2. *Question 1 is compulsory.*
3. *Do any two from the remaining three questions*

Q.1) Suppose Brazil is the only supplier of coffee in the world and India is importing coffee from Brazil only. An extreme weather condition destroyed 80% coffee crops. Graphically represent and explain the impact of this on supply and demand of coffee in short run and long run.

Consider a competitive market for which the quantities demanded and supplied (per year) at various prices are given as follows:

Price (\$)	Demand (millions)	Supply (millions)
60	22	14
80	20	16
100	18	18
120	16	20

- a) Calculate the price elasticity of demand at price \$80 and \$100.
- b) Calculate arc elasticity for same prices \$80 and \$100 and explain the difference in elasticity when calculated with point and arc elasticity methods. (Marks 8+2+6 = 16)

Q.2) Briefly discuss the determinants of demand and supply. (Marks 6+6 = 12)

Q.3) Differentiate between Price consumption curve and income consumption curve, derive demand curve. (Marks 4+4+4 = 12)

Q.4) Briefly explain the following concepts:

- a) Marginal Rate of Transformation and Marginal Rate of Substitution
- b) Consumer and Producer Surplus (Marks 6+6 = 12)

28 NOV 2025

NATIONAL LAW UNIVERSITY, JODHPUR  
End Term Examination August-December – 2025  
Semester: UG III  
Subject: Economics I (General principles of Microeconomics)

Time: Three Hours

Marks: 100

*Instructions:*

1. Attempt any FIVE Questions.
2. Non-scientific calculators are allowed
3. All questions carry equal marks

Q.1) a) Draw and explain the shape of the Production Possibility Frontier (PPF) for Food and Automobiles with two most basic principles of economics. Mark and explain:

- i. Underutilization of the resources
- ii. growth of the resources
- iii. Pareto improvement and Pareto efficiency
- vi. A new technology is introduced for Automobiles

b) Elaborate the concept of Arthashastra given by Kautilya and highlight its similarities with present day concept of economics.

(Marks 10+10 =20)

Q. 2 a) Consider the following events: Scientists reveal that eating pomegranate decreases the risk of diabetes and cancer, and at the same time farmers use a new fertilizer that makes pomegranate trees produce more product. Illustrate what effect these changes have on the equilibrium price and quantity of the Pomegranate?

b) The demand function for a cola-type drink in general is:  $Q_d = 20 - 2P$

- i. Calculate the point price elasticity at prices of Rs.5 and Rs.9 and interpret.
- ii. Calculate arc elasticity of demand at the interval between  $P = \text{Rs. } 5$  and  $P = \text{Rs. } 9$  and interpret.
- ii. At which price would a change in price and quantity result in approximately no change in total revenue and why?
- iii. Write the determinants price elasticity of demand?

(Marks 10+10= 20)

Q.3 a) What difference do you find in an Income Consumption Curve and the Expansion Path, explain with graphs?

b) How would you explain the relation between short run production and short run costs?

(Marks 10+10 =20)



- Q. 4 a) Discuss the social cost of monopoly, why it is much more than what it seems to be?  
b) What makes monopolistic competitive firm different than perfect competitive in long run and why?  
(Marks 10+10 = 20)

Q.5) How Negative and Positive externalities deviates the market from a socially desirable outcome and how government can solve this problem, Illustrate with examples and graphs?  
(Marks 20)

Q.6) Write short notes on any two of the following:

- a) Economic Concentration and Competition Act 2002
- b) Coase Theorem
- c) Complexity Economics
- d) Prisoners Dilemma and oligopolies

(Marks 10+10=20)

29 SEP 2025

NATIONAL LAW UNIVERSITY, JODHPUR  
Mid Term Examination – 2025  
Semester: UG III  
Subject: Economics I (General Principles of Microeconomics)

Time: 90 Minutes  
Date: 29.09.2025

Marks: 40

*Instructions:*

1. Non-scientific calculators are allowed
2. Question 1 is compulsory.
3. Do any two from the remaining three questions

Q1. In 1995, the total demand for Indian cotton was  $Q_d = 3244 - 283P$  and the domestic supply was  $Q_s = 1944 + 207P$ . Calculate -

- a) Market clearing price and quantity and show it on the graph
- b) price elasticity of demand and supply at this price and interpret
- c) A drought caused the supply curve to shift and change the price by one unit, what would happen to the quantity demanded and how elasticity will change?
- d) Explain the relationship between Total Revenue and price elasticity of demand with the help of graph.

(Marks 3+3+5+5 = 16)

Q.2) Explain the point of maximum satisfaction in case of ordinal analysis. Draw the Engel curve when a good on x-axis is getting inferior with increase in income.

(Marks 8+4 = 12)

Q.3) Explain the following with the help of diagram and discuss the consequences—

- a) Price Caps on Essential Drugs
- b) Agricultural Support Price

(Marks 6+6 = 12)

Q.4) a) Total surplus is the basic tool that economists use for the welfare of buyers and sellers, comment on this taking efficiency into account.

b) Briefly explain the key components of Kautilya's Arthashastra.

(Marks 8+4 = 12)

