



Reg. No.:

Name:

University of Kerala

First Semester FYUGP Degree Examination, December 2025

Discipline Specific Core Course

ECONOMICS

UK1DSCECO100 - Principles of Economics

Academic Level: 100-199

2024-Admission onwards

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	Which of the following measures are used for calculating GDP? Options : A)Product Method B)Expenditure Method C)Income Method D)All of The Above	RE	1
2	When economists speak of “choice” in an economy, they are referring to: Options : A)Unlimited wants and limited resources B)Social preferences C)Government intervention D)Equilibrium price	RE	1
3	A firm will shut down in the short run when: Options : A) $P < AVC$ B) $P > MC$ C) $MR > MC$ D) $TR = 0$	UN	1
4	GNP differs from GDP by adjusting for: Options : A)Depreciation B)Net factor income from abroad C)Taxes D)Imports	UN	1
5	Total Revenue (TR) is calculated as: Options : A)Price \times Quantity Sold B)Total Cost - Profit C)Marginal Revenue \times Quantity D)Average Revenue \times Marginal Cost	UN	1
6	Economic development differs from economic growth because:	UN	4

Qn No.	Question	CL	CO
	Options : A)Growth includes qualitative changes; development does not B)Development includes overall welfare improvement, not just output increase C)Growth is measured using HDI D)Development only refers to GDP increase		

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	How income inequality measured?	UN	2
8	What are the major determinants of demand? Explain any three.	UN	2
9	What is meant by economic development? Give any two indicators.	AP	3
10	If an economy increases the production of defence equipment, what happens to the production of food items? Explain using the concept of opportunity cost.	AP	2
11	Compare a movement along the demand curve with a shift in the demand curve.	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) The following table shows the demand and supply schedules for a product in the market: Determine the equilibrium price and equilibrium quantity. OR B) Graphically illustrate the shift in demand curve and the reasons for the shift.	AP	3, 2
13	A) Explain the business cycle using a simple diagram. OR B) Describe the relationship between inflation and unemployment.	AP	4, 3
14	A) Analyse the difference between GDP and HDI in judging economic development. Why can two countries with similar GDP levels show different HDI results?	AN	2, 3

Qn No.	Question	CL	CO
	OR B) Compare real and nominal GDP		
15	A) Analyse the determinants of price elasticity of demand. OR B) "Economics is the study of how people make choices under conditions of scarcity." Using this statement, explain how scarcity leads to choice in everyday life. Give one example.	AN	2, 3

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) Analyse the different phases of business cycle. OR B) Using examples, analyse how a market economy leads to efficient allocation of resources	AN	2, 4
17	A) $Q_d = 10 - 4p$, $Q_s = -2 + 8p$. Find the equilibrium price and quantity OR B) Assess the strengths and weaknesses of capitalism as an economic system.	EV	1, 5
18	A) Evaluate macro economic variables for measuring national income OR B) Evaluate the limitations of using GDP as a measure of national welfare.	EV	5, 3
19	A) Propose a new measure of GDP that integrates environmental costs and resource depletion to reflect sustainable growth.	CR	4, 4

Qn No.	Question	CL	CO
	OR B) Argue how the scarcity definition address the basic economic problem		

Model QP