

**AS-2051**  
**PRINCIPAL OF ECONOMICS -IV**  
**SEM (IV) (MAY-19)**

**TIME: 3 HOURS**

**M:M:75**  
**5941/MH**

**Note:** Attempt two questions each from Sections A and B carrying 12 marks each and the entire Section C consisting of 9 short answer type questions carrying 3 marks each.

**Section-A**

- 1 Explain the scope of Economics.
- 2 What is agricultural economics? Briefly explain the importance of agricultural economics.
- 3 Critically explain the law of equi-marginal utility.
- 4 Explain the law of diminishing returns. Why this law generally applies to agriculture?

**Section-B**

- 5 Explain price determination under perfect competition in short run and long run.
- 6 Define national income. What are the difficulties in measurement of national income?
- 7 What are the main functions of commercial banks?
- 8 Direct and indirect taxes both are necessary for a good tax system. Explain and justify.

**Section-C**

- 9 **Write a short note on:**
- I Subject matter of Economics
  - II Goods and services
  - III Price elasticity of demand
  - IV Supply curve
  - V Shut down points
  - VI Rent
  - VII Deflation
  - VIII Central Bank
  - IX VAT