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- Notes :
1. Same answer book must be used for each section.
 2. All questions carry marks as indicated.
 3. Assume suitable data wherever necessary.
 4. Illustrate your answers wherever necessary with the help of neat sketches.

1. a) What is economics? Relate it to the 3 problems that every economy deals with. **8**
- b) What do you mean by market equilibrium price explain with an example. **8**

OR

2. a) Elaborate cobb Douglas function. **8**
- b) What is opportunity cost? Explain with an example. **8**
3. a) Explain the features and characteristics of monopolistic competition. **8**
- b) What are short run and long run? Difference between short run and long run. **8**

OR

4. a) Explain the terms mention below? **8**
 - Total production.
 - Average production.
 - Marginal production.
 - List different laws of production.
- b) Explain Oligopoly -cartel and collusion. **8**
5. a) Explain the circular flow of income. **8**
- b) Discuss the phases of Trade cycle. **8**

OR

6. a) What is the Quantity theory of money. **8**
- b) Explain the transaction approach in detail. **8**
7. a) Explain capital Budgeting in detail. **8**
- b) What is the importance of cost analysis. **8**

OR

8. a) Explain the following terms mentioned below: 8
- NPV
 - ARR
 - IRR
 - PBP
- b) Explain factors affecting investment decision. 8
9. a) Discuss the importance of Business financing. 8
- b) Explain direct tax with its merits & demerits. 8

OR

10. a) Explain capital market. 8
- b) What are the qualities of a good taxation system. 8
