



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

2025-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	Scarcity Definition of Economics is associated with Options : A)Lionel Robins B)Marshall C)Piguo D)None of the above	RE	1
2	The cost of the next best alternative forgone is Options : A)Opportunity Cost B)Variable Cost C)Long Run Cost D)None of the above	RE	1
3	What exactly do you mean when you say “mixed economy”? Options : A)Traditional and modern industries B)Both the public and private sectors are involved C)Involvement of both foreign and domestic investors D)Subsistence and commercial farming	UN	1
4	Which of the following describes a luxury good? Options : A) Income elasticity is negative. B) Income elasticity is between 0 and 1. C)Income elasticity is greater than 1 D)Income elasticity is 0.	UN	2
5	What does Production Possibility Frontier represent (PPF)? Options : A)The maximum amount of imports of a country can have B)The total output of an economy C)The various combinations of two goods an economy can produce given its resources and technology D)The Governments budget allocation.	UN	2
6	Which of the following is the best indicator of economic development?	UN	1

Qn No.	Question	CL	CO
	Options : A)Population growth B)HDI C)Labour supply D)Technology		

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	Discuss the difference between real GDP and nominal GDP.	UN	2
8	Understand the difference between positive and normative statements by giving one example of each.	UN	1
9	Recognise the relation between inflation and unemployment in the economy by applying Phillip's curve	AP	3
10	Identify the factors affecting the demand for a commodity.	AP	2
11	The population of Country A is 50 Crore, and its GDP is 100 Crore. Calculate the per capita income	AP	3

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) Willingness to pay ₹1020, price is ₹600. Calculate consumer surplus. OR B) Apply the concept of HDI to explain why a country with high GDP may still have low human development.	AP	3, 4
13	A) Justify the basic Economic Problems ? OR B) Compare short-run and long-run costs for a firm.	AP	1, 2
14	A)	AN	3, 3

Qn No.	Question	CL	CO
	Analyze the precautions to be taken during the process of national income measurement OR B) Consider the demand for a good. At price Rs 4, the demand for the good is 25 units. Suppose price of the good increases to Rs 5, and as a result, the demand for the good falls to 20 units. Calculate the price elasticity?		
15	A) Analyse the difference between capitalism and socialism OR B) Analyze the expenditure method of measuring national income.	AN	3, 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) 16 a Analyze the role of monetary policy in controlling money supply OR B) Discuss the macroeconomic problems of inflation	AN	4, 3
17	A) Evaluate the usefulness of isoquant analysis compared to the traditional production function in managerial decision-making. OR B) Critically Evaluate Law of variable proportion	EV	3, 4
18	A) Evaluate the differences between developed and developing economies. OR B) Evaluate the concept of micro and macro economics	EV	3, 4
19	A)	CR	4, 3

Qn No.	Question	CL	CO
	<p>Plot demand curve from hypothetical market demand schedule. State reasons for downward sloping demand curve</p> <p>OR</p> <p>B)</p> <p>Create a simple economy model with three sectors and build a flow chart explaining the circular flow on income.</p>		

Model QP