

Mid Semester Test: August-2017

Principles of Micro-Economics

**GUJARAT NATIONAL LAW UNIVERSITY
GANDHINAGAR**

**Course: Principles of Micro-Economics
Semester-I (Batch: 2017-22)**

Mid Semester Test: August-2017

Date: 23rd August, 2017

Duration: 2 hours

Max. Marks: 30

Instructions:

- Read the questions properly and write the answers in the given answer book.
- The respective marks for each question are indicated in-line.
- Do not write anything on the question paper.
- Indicate correct question numbers in front of the answers.
- No questions or clarifications can be sought during the exam period, answer as it is, giving reason, if any.

- | | Marks |
|---|--------------|
| Q.1 Answer the following in brief along with diagrams, wherever applicable (any five): | (5x2=10) |
| (a) Explain market failure. | |
| (b) Explain dead weight loss. | |
| (c) Explain the impact of law on scale of production. | |
| (d) Explain transaction cost. | |
| (e) Explain consumer and producer surplus. | |
| (f) Explain pivotal shift of supply curve. | |
| Q.2 Answer the following in detail along with diagrams, wherever applicable (any four): | (4x5=20) |
| (a) Explain the liability system as an exchange system in terms of market for crime. | |
| (b) Explain the law of Equi marginal principle and how can it be used in attaining deterrence. | |
| (c) Explain the price effect for a Giffen good. | |
| (d) Explain the application of demand and supply to the minimum support price policy of the Government. | |
| (e) Explain the features of an Indifference curve. | |
| (f) Explain how efficient laws can enhance the circular flow of Income. | |
