


Name:			
Enrolment No:			
<b>UNIVERSITY OF PETROLEUM AND ENERGY STUDIES</b> <b>End Semester Examination, Dec 2023</b>			
<b>Course: Law and Economics</b> <b>Program: BA_LL B</b> <b>Course Code: CLNL1035</b>		<b>Semester: 1<sup>st</sup></b> <b>Time : 03 hrs.</b> <b>Max. Marks: 100</b>	
<b>Instructions:</b>			
<b>SECTION A</b> <b>(5Qx2M=10Marks)</b>			
S. No.		Marks	CO
Q 1	The concept of "price discrimination" refers to: a) Charging different prices for the same good in different markets b) The illegal act of fixing prices in collusion with competitors c) Setting a single price for a homogeneous product d) Offering discounts based on the quantity purchased	2	CO1
Q 2	In the short run, a firm is operating under conditions of diminishing marginal returns to a variable input. What happens to the average variable cost as more units of the variable input are employed? a) Average variable cost decreases. b) Average variable cost remains constant. c) Average variable cost initially decreases, then increases. d) Average variable cost increases.	2	CO1
Q 3	If a firm experience increasing Marginal Cost (MC), what can be inferred about the production process? a) The firm is likely operating under constant returns to scale. b) The firm is likely experiencing economies of scale. c) The firm is likely facing diminishing marginal returns. d) The firm is likely facing diseconomies of scale.	2	CO1
Q 4	In microeconomics, the "law of diminishing marginal utility" suggests that: a) As the quantity consumed of a good increase, its marginal utility also increases b) The more you consume of a good, the less satisfaction (utility) you derive from each additional unit c) Marginal utility remains constant regardless of the quantity consumed d) The price of a good determines its utility	2	CO1

Q 5	<p>What is the main assumption underlying the "rational choice theory" in microeconomics?</p> <p>a) Consumers always make choices that maximize their economic well-being</p> <p>b) Consumers make decisions based on irrational emotions and impulses</p> <p>c) The government should make all economic decisions on behalf of consumers</p> <p>d) Consumers are solely motivated by altruism and social welfare</p>	2	CO1
<b>SECTION B</b> <b>(4Qx5M= 20 Marks)</b>			
Q 6	How does a monopoly engage in price discrimination? Provide real-world examples of industries where price discrimination is commonly observed.	5	CO1
Q 7	Differentiate between Nominal GDP and Real GDP.	5	CO2
Q 8	Explain the price elasticity of supply and methods of calculating price elasticity of supply with suitable examples	5	CO2
Q 9	How are average total cost, average variable cost, and average fixed cost derived from total cost?	5	CO4
<b>SECTION-C</b> <b>(2Qx10M=20 Marks)</b>			
Q 10	The automotive industry is undergoing a transformative shift toward sustainability, with electric vehicles (EVs) gaining prominence. Examine in this scenario how the law of demand is influencing the adoption and market dynamics of electric vehicles.	10	CO3
Q 11	<p>The cost function to produce X Sweatshirts is given as <math>C(x) = .075x + 5,000</math>. Evaluate the cost function to find the cost to produce 1800 Sweatshirts. Find the average cost of producing those 1800 Sweatshirts. Find the marginal cost of Producing 2320 Sweatshirts &amp; 1500 sweatshirts.</p> <p style="text-align: center;">or</p> <p>Elucidate how government uses credit policy to regulate the economy. Support your answer with suitable examples?</p>	10	CO4
<b>SECTION-D</b> <b>(2Qx25M=50 Marks)</b>			
Q 12	Calculate NNP at market price by production method and income method.	25	CO4

S.no	Particulars	Rs. (in crores)		
1.	Intermediate consumption Primary Sector Secondary Sector Tertiary Sector	500 400 300		
2.	Value of output of Primary sector Secondary sector Tertiary sector	1000 900 700		
3.	Rent	10		
4.	Emoluments of employers	400		
5.	Mixed income	650		
6.	Operating surplus	300		
7.	Net factor income from abroad	-20		
8.	Interest	05		
9.	Consumption of fixed capital	40		
10	Net Indirect Tax	10		
Q 13	a) Evaluate the effectiveness of Reserve Bank of India (RBI) policies in addressing economic challenges. b) Analyze the role of monetary policy play in addressing or contributing to income inequality c) Assess the current challenges addressed by the monetary policy in India?		25	CO4