Note: Attempt any five questions in all selecting two questions from section-I and three Questions from section-II. All questions carry equal marks.

Section-I

Q.1 Find the elasticity of demand of the following demand function at Q=20 and P=5:
   \[ Q = 60 - 2P \]
   \[ Q = 53 - 0.5P \]
   \[ Q = 12 + P - P^2 \]
   \[ 70 - 0.3P = Q \]

Q.2 Find the price at which market supply will be equal to market demand.
   \[ S = 70 + P^2 \]
   \[ D = 50 - 9P + 4P^2 \]

Q.3 A monopoly has following demand and Cost functions. Find the profit Maximizing price and output.
   \[ Q = 60 - 0.5P \]
   \[ TC = 50 + 20Q \]

Section-II

Q.4 What is indifference curve approach? Discuss the properties of indifference curve.

Q.5: What is Monopolistic competition? Discuss the equilibrium of a firm under monopolistic competition in the short run.

Q.6: What is elasticity of demand? Discuss the methods of measuring it?

Q.7: State and explain the “Law of Diminishing Utility” and its limitations.

Q.8: What is marginal rate of technical substitution? How firm get optimal factor combination. And also explain expansion path.
Note: - Attempt any five questions in all selecting three questions from section-I and two Questions from section-II. All questions carry equal marks.

SECTION-I

Q1. a) Differentiate between Micro Economics and Macro Economics, give examples.
   b) Explain the weaknesses in the Classical Theory of Employment.

Q2. What is the meant by Trade Cycle? What are its characteristics? How can it be controlled?

Q3. Define the concept of Gross National Product (GNP) and Net National Product (NNP). Explain the circular flow of national income.

Q4. Explain the Keynesian theory of employment. In what respect does it differ from the classical theory of employment.

Q5. Define the concept of L-M Curve. How it is derived? Explain with the help of diagrams.

SECTION-II

Q6. Write notes on the followings:
   a) Foreign aid is a curse of Pakistan
   b) Justification of economic planning in Pakistan

Q7. Highlight the internal and external financial resources of Pakistan.

Q8. What are various bottlenecks to industrial development in Pakistan? Explain.
GOVERNMENT COLLEGE UNIVERSITY, FAISALABAD

Annual 2017

Subject: Economics

Paper: (Optional)

Course Code: ECO-421

Course Title: Economics

Time Allowed: 03:00 Hours

Maximum Marks: 100

Pass Marks: 33%

Note: Attempt any five questions. All questions carry equal marks. Attempt at least two questions from each Section.

SECTION-A

Q1. Explain the law of diminishing marginal utility. Discuss its assumptions and limitations.

Q2. How the price of product is determined by the forces of demand and supply forces? Explain with the help of diagram.

Q3. Define propensity to consume. Why MPC < 1 and MPC > 0? What are its implications in an economy?

Q4. What is say’s law? On what grounds it was refuted by Keynes?

SECTION-B

Q5. Explain various approaches to measure economic development

Q6. Point out the salient features of Pakistan’s economy.

Q8. Describe the role of agricultural sector of Pakistan. How this sector can be made a dynamic sector?

Q8. What are the causes of capital deficiency in Pakistan? How can this problem be solved?