

**THIRD SEMESTER UG DEGREE EXAMINATION, NOVEMBER 2025**

(FYUGP)

**CC24UECO3CJ202 - EVOLUTION OF ECONOMIC THEORIES**

(B.A. Economics - Major Course)

(2024 Admission - Regular)

Time: 2.0 Hours

Maximum: 70 Marks

Credit: 4

**Part A (Short answer questions)**Answer ***all*** questions. Each question carries 3 marks.

1. What do you mean by the “Invisible Hand” in Adam Smith’s economics? [Level:2] [CO1]
2. What happens to consumer welfare under monopoly compared to competition? [Level:2] [CO1]
3. What are club goods? [Level:2] [CO2]
4. Define diseconomies of scale with examples. [Level:2] [CO1]
5. Define trade margin. [Level:2] [CO1]
6. State two examples of substitution competition. [Level:2] [CO1]
7. What is meant by protectionist trade policy? [Level:2] [CO3]
8. Apply Say’s Law to industrial policy in a developing country. [Level:3] [CO4]
9. What is meant by a natural monopoly? [Level:2] [CO1]
10. Explain the concept of “Just Price” in medieval economics. [Level:2] [CO1]

**(Ceiling: 24 Marks)****Part B (Paragraph questions/Problem)**Answer ***all*** questions. Each question carries 6 marks.

11. Explain with a modern example the limits of economies of scale. [Level:3] [CO1]
12. Compare the effectiveness of minimum wages vs progressive taxation in reducing inequality. [Level:4] [CO2]
13. Define opportunity cost in government budgeting. [Level:2] [CO3]
14. Distinguish between demand-pull and cost-push inflation. [Level:2] [CO4]

15. Explain how advertising challenges consumer sovereignty using a real-world example. [Level:3] [CO1]

16. Suppose cost per unit = ₹20 and selling price = ₹60, with output = 50 units. [Level:3] [CO1]  
Calculate profit.

17. Analyze Böhm-Bawerk's third reason in light of criticisms about risk and uncertainty. [Level:4] [CO2]

18. Define the accelerator principle in investment. [Level:2] [CO4]

**(Ceiling: 36 Marks)**

**Part C (Essay questions)**

Answer any **one** question. The question carries 10 marks.

19. Evaluate whether price floors are necessary for agricultural stability. [Level:5] [CO1]

20. Discuss the relationship between Money supply and Price level. [Level:4] [CO3]

**(1 × 10 = 10 Marks)**

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