Question 1

10 pts

Discuss the various *definitions of economics*. How does each definition reflect the changing scope and focus of economics over time?

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Question 2

10 pts

State and explain the *Law of Demand* with a suitable diagram. Also, describe two major exceptions to the law with real-life examples.

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Question 3

10 pts

a) Define *demand forecasting*. Why is demand forecasting important for firms? (5 Marks)

b) Differentiate Consumer Surplus from Producer Surplus with an example. (5 Marks)

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Question 4

10 pts

a) Define *Break-Even Analysis*. How does it help managers in pricing? (5 Marks)

b) What is 'Margin of Safety'? Why does it matter to the start-ups? (5 Marks)

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