

- Q1. What is Elasticity of Demand? Explain the types of elasticities of Demand. (5 marks)
- Q2. Explain Indifference curve and Indifference maps with reference to the alternative market basket of two commodities. (5 marks)
- Q3. Explain Giffen goods. Explain ~~it~~ what is ~~there~~ why does it have a negative income effect? (3 marks)
- Q4. Explain whether the following statements are True or False:
- a) The Marginal Rate of Substitution diminishes as an individual moves downward along the demand curve.
  - b) The level of utility increases as an individual moves downward along the demand curve.
  - c) Engel curve always slopes upward. (3 marks)
- Q5. Explain why two indifference curves cannot intersect. (2 marks)
- Q6. For which of the following goods is a price increase likely to lead a substantial income (as well as substitution) effect. (any two)
- (a) salt
  - (b) housing
  - (c) theater tickets
  - (d) food. (2 marks)