

**Objective:** - The objective of this paper is to provide broad understanding of basic concepts of economics and understanding of relationship between economics and law.

**QUESTIONS:**

- 1) What is production function? Distinguish between short run and long run production function.
- 2) Explain the circular flow of income in two sector and three sector system. Draw a relationship between leakages and injections in circular flow
- 3)"Managerial economics bridges the gap between abstract theory and business practice.It uses tools of economic analysis in classifying problems in organizing and evaluating information and in comparing alternative course of action" Outline the nature and scope of managerial economics in the light of this statement.
- 4)"Advertisement becomes unnecessary under perfect competition. It however happens to be necessary under conditions of monopolistic competition". Discuss by explaining the difference between competitive and promotional advertisement.
- 5)Write short note on the following
  - a. Managerial economics is perspective in nature
  - b.Isoquant arc is convex to the origin
  - c.Prisoner's dilemma

**Procedure:-**

1. Assignment should be Hand written.
2. Give proper headings and subheadings.
3. Use examples.

**Students should make assignment in the following manner:**

Cover page

1. Objectives
2. Index
3. Content
4. Conclusion
5. References

**OUTCOME:** After doing this assignment, students will come to understand about the basic concepts of economics and understanding of relationship between economics and law.

**Further Readings:**

1. Lipsey, Principles of Positive Economy
2. K.K. Dewett, Modern Economic Theory