

Internal Assessment 1
General Elective (Economics)
Semester 1
Date: 4th Oct 2023

Instructions:

1. Attempt all questions
2. Maximum marks are 20
3. Time limit is one hour (1pm to 2pm)

Question1

If the demand and supply curve for computers is:

$$D = 100 - 6P, S = 28 + 3P$$

Where P is the price of computers, what is the quantity of computers bought and sold at equilibrium? (10 marks)

Question2

Explain how increase in income affects the demand for a good which is

- a) Normal good (5)
- b) Inferior good (5)