



VIT

Vellore Institute of Technology
(Deemed to be University under section 3 of UGC Act, 1956)

REG.NO.:

SCHOOL OF SOCIAL SCIENCES AND LANGUAGES
CONTINUOUS ASSESSMENT TEST - I
WINTER SEMESTER 2025-2026

SLOT: B2+TB2

Programme Name & Branch	: BBS / SCOPE	
Course Code and Course Name	: HUM1046 / BEHAVIOURAL ECONOMICS	
Faculty Name	: Dr. K. Nilavathy / Dr M Sumeetha	
Class Number	: VL2025260506502 / VL2025260506503	
Date of Examination	: 28/01/2026 - 02.00 p.m to 03.30 p.m	
Exam Duration	: 90 minutes	Maximum Marks: 50

General instruction(s):

- Answer All Questions
- M - Max mark; CO - Course Outcome; BL - Blooms Taxonomy Level (1 - Remember, 2 - Understand, 3 - Apply, 4 - Analyse, 5 - Evaluate, 6 - Create)
- Course Outcomes - The following are the CO statements covered in this question paper.

CO1. Identify and evaluate evidence for systematic departures of economic behavior from the predictions of the neoclassical model, and psychological explanations for these anomalies.

CO2. Incorporate psychologically motivated assumptions into economic models, and interpret the implications of these assumptions.

Q. No	Question	M	CO	BL
1.	Explain what is meant by evolutionary psychology, evolutionary biology and cognitive neuroscience and why it is related to behavioural economics.	10	CO1	BL1
2.	A. Briefly explain the importance of theories and assumptions in economics and Behavioural economics. B. "Theories should not be evaluated on the basis of their assumptions". Then what are the criteria for evaluating and comparing theories in behavioural economics?	10	CO2	BL2
3.	Describe bounded rationality theory and explain why it emerged as a criticism of the rational model.	10	CO2	BL2
4.	Illustrate the consumer equilibrium in case of two commodities and also explain the changes in consumer equilibrium choice in case of changes in the price of any one commodity with proper diagram.	10	CO1	BL2
5.	A. Find the consumption function ($C = a + bY$) with the following information. i) At income ₹1,000 consumption is ₹900. ii) At income ₹2,000 consumption is ₹1,600. B. Discuss the role of government in correcting environmental externalities arising from over-production. Illustrate with examples	10	CO1	BL3