Register
Number

Part III — ECONOMICS

(English Version)

Time Allowed : 3 Hours].

[Maximum Marks : 200

PART – A

Note : Answer *all* the questions.

50 × 1 = 50

I. Choose the correct answers :

14 × 1 = 14

1. The concept of Net Economic Welfare has been given by

   a) Samuelson

   b) Alfred Marshall

   c) Adam Smith

   d) Lionel Robbins.

2. The basic force that drives the capitalist economy is

   a) Planning

   b) Technology

   c) Government

   d) Profit-motive.

[Turn over "

3. Consumers' Surplus is

    a) Potential price – Actual price

    b) $MU_n = TU_n - TU_{n-1}$

    c) Demand = Supply

    d) none of these.

4. Law of Demand establishes

    a) inverse relationship between price and quantity

    b) positive relationship between price and quantity

    c) both of these

    d) none of these.

5. Factor(s) determining supply is/are

    a) Production technology

    b) Prices of factors of production

    c) Taxes and subsidies

    d) All of these.

6. At the point of equilibrium

    a) Only one price prevails

    b) Quantity demanded = Quantity supplied

    c) The demand curve intersects the supply curve

    d) All of these.

7. Reward paid to capital is

    a) interest   b) profit

    c) wages   d) rent.

8. Average cost is obtained by dividing

   a) TC / Q

   b) TFC / Q

   c) TVC / Q

   d) none of these.

9. The firm and industry are one and the same under

   a) perfect competition

   b) duopoly

   c) oligopoly

   d) monopoly.

10. The author of the concept of quasi-rent is

    a) Adam Smith

    b) Marshall

    c) Ricardo

    d) Samuelson.

11. The macro-economic thinking was revolutionized by

    a) David Ricardo

    b) J. M. Keynes

    c) Adam Smith

    d) Malthus.

[Turn over

12. The marginal propensity to consume is

    a) $\dfrac{\Delta S}{\Delta Y}$

    b) $\dfrac{C}{Y}$

    c) $\dfrac{\Delta P}{\Delta Q}$

    d) $\dfrac{\Delta C}{\Delta Y}$.

13. Bank rate is raised during

    a)   deflation

    b)   inflation

    c)   stable prices

    d)   unemployment.

14. The compulsory charge levied by the government is

    a)   licence fees   b)   gifts and grants

    c)   loan   d)   tax.

II.   Fill in the blanks : $12 \times 1 = 12$

15. Exchange of goods for goods is known as ....

16. Production possibility curve is also known as ....

17. Marginal utility falls to zero, when the total utility is ....

18. The rate of change of supply to a change in price is ....

19. At .... price, there is no tendency to change the price or quantity.

20. An Enquiry into the Nature and Causes of Wealth of Nations was written by ....

21. Total cost is the sum ....

22. The perfect competitive firms are ....

23. Money wages are also known as .... wages.

24. .... refers to the cash holdings of the people.

25. The equation of exchange (MV = PT) was given by ....

26. .... means different sources of Government income.

III. Match the following :   12 × 1 = 12

27. First Nobel Prize   a)   Marshall

28. Market forces   b)   Annual stock clearance

29. Principles of Economics   c) $TC_n - TC_{n-1}$

30. Cross-elasticity is zero   d)   C + S

31. Price discount   e)   Best tax system

32. Bundle of risks   f)   Coco-Cola

33. MC_n g)   Timbergan and Frisch

34. Technical Monopoly   h)   X and Y are not related

35. Dynamic Theory of Profit   i)   Supply, demand and price

36. Y =   j)   Hawley

37. Cheap money policy   k)   Clark

38. Progressive Tax   l)   Low rate of interest.

[Turn over

IV. Answer each of the following questions in a word or two : 12 × 1 = 12

39. Give one or two examples of free goods.

40. Name any two successful socialist economies.

41. What is the other name for budget line ?

42. What is the basic assumption of economic theory ?

43. Give an example for fixed input.

44. Who is the changing agent of the society ?

45. What is Marginal Revenue ?

46. What is an industry ?

47. What is the name of Schumpeter's theory of profits ?

48. Give the formula for Multiplier.

49. Name the bank which controls money supply in a country.

50. What is VAT ?

PART – B

V. *Note* : i) Answer any *ten* of the following questions.

ii) Answer for each question should be about *four* or *five* lines.

10 × 3 = 30

51. Distinguish between free goods and economic goods.

52. Name the important general economic system.

53. List the basic features of socialism.

54. What are the properties of Indifference Curve ?

55. Why does the demand curve slope downwards ?

56. What is equilibrium price ?

57. Differentiate the short period from the long period.

58. Name the types of Utility.

59. What is meant by division of labour ?

60. Define opportunity cost.

61. Mention the relationship between MC and AC.

62. Distinguish between real wages and money wages.

63. What are the three motives of liquidity preference theory ?

64. Define Money.

65. What is the subject matter of Public Finance ?

PART – C

VI. *Note* : i) Answer any *six* of the following questions.

         ii) Answer for each question should be about *a* page.   6 × 10 = 60

66. Explain the salient features of Capitalism.

67. How is the equilibrium price determined in the market period ?

68. Describe the characteristics of Capital.

69. Explain the relationship between AR and MR curves.

70. Explain the marginal cost with suitable illustration.

[Turn over

71. Briefly explain the classification of markets.

72. What are the criticisms of Say's Law ?

73. What are the assumptions of Keynes Simple Income Determination ?

74. Define Budget. Explain the balanced and unbalanced budgets.

75. Differentiate between the direct and indirect taxes.

PART – D

VII.   *Note :*   i)   Answer any *three* of the following questions.

ii)   Answer for each question should be about *three* pages.

$$3 \times 20 = 60$$

76. Discuss the nature and importance of economic laws.

77. Explain the characteristics of human wants.

78. Explain the methods of measurement of price elasticity of demand in detail.

79. Explain the price and output determination under Monopoly.

80. Examine Ricardian theory of rent.

81. Discuss the objectives and instruments of monetary policy.

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