1065

Register Number

Part III — ECONOMICS

(English Version)

Time Allowed : 3 Hours]   [Maximum Marks : 200

SECTION – A

N. B. :   i)   Answer *all* the questions.

ii)   Each question carries *one* mark.   50 × 1 = 50

I.   Choose the best answer of the following and write in the answer-book :

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.   Red tapism and corruption lead to

a)   inefficiency of production

b)   in equality of income and wealth

c)   absence of technology

d)   efficient use of resources.

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3. Single commodity consumption mode is

   a) Production Possibility Curve

   b) Law of Equimarginal Utility

   c) Law of Supply

   d) Law of Diminishing Marginal Utility.

4. The shape of exceptional demand curve is

   a) sloping downward

   b) sloping upward

   c) parallel to X-axis

   d) vertical.

5. The degree of response of demand to change in price is

   a) Income Elasticity of Demand

   b) Cross-Elasticity of Demand

   c) Price Elasticity of Demand

   d) All of these.

6. Time element in price analysis was introduced by

   a) J.R. Hicks

   b) J.M. Keynes

   c) Alfred Marshall

   d) J. S. Mill.

7. Reward paid to capital is

   a) interest

   b) profit

   c) wages

   d) rent.

8. Real cost is

   a) pain and sacrifice

   b) subjective concept

   c) efforts and foregoing leisure

   d) all of these.

9. Under perfect competition the demand curve is

   a) upward sloping

   b) horizontal

   c) downward sloping

   d) vertical.

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

    a) Adam Smith

    b) Marshall

    c) Ricardo

    d) Samuelson.

[Turn over

11. The Classical theory assumed the existence of

    a)   unemployment

    b)   disguised unemployment

    c)   full employment

    d)   underemployment.

12. The marginal propensity to consume is

    a) $\Delta S/\Delta Y$

    b) $C/Y \cdot \Delta P/\Delta Q$

    c) $\Delta P/\Delta Q$

    d) $\Delta C/\Delta Y$.

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

    b)   Gifts and Grants

    c)   Loan

    d)   Tax.

II. Fill in the blanks :   12 × 1 = 12

15. The term 'Micro' means ....

16. Role of the Government is minimum in the .... economy.

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

18. The concept of elasticity of demand was introduced by ....

19. .... is the major determinant of supply.

20. The functional relationship between input and output is known

    as ....

21. Implicit cost is also known as .... cost.

22. Price rigidity is an important feature of ....

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

24. .... is the ratio of change in saving to a change in income.

25. M_1 is known as .... money .

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

[Turn over

III. Match the following : 12 × 1 = 12

27.	Principles of Economics	a)	X and Y are not related
28.	Bureaucratic expansion	b)	Adam Smith
29.	Indifference curve	c)	Cobb-Douglas
30.	Cross-elasticity is zero	d)	Envelope curve
31.	Price discount	e)	Socialism
32.	Production function	f)	Monopolistic competition
33.	Planning curve	g)	Annual stock clearance
34.	E. H. Chamberlin	h)	$\dfrac{1}{1-MPC}$
35.	Residual claimant theory	i)	Ordinal ranking
36.	K	j)	Marshall
37.	Dear Money Policy	k)	Walker
38.	Canons of taxations	l)	Higher rate of interest.

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

39. What is the other name for Economics ?

40. What is the result of overproduction ?

41. Which law is known as Gossen's second law of consumption ?

42. What is the basic assumption of economic theory ?

43. Give the formula for point method.

44. Give the condition for Producer's equilibrium under isoquant curves.

[Turn over

45. What is break-even point ?

46. Give any two methods to control monopoly.

47. Who is the author of Innovation theory of Profit ?

48. Give formula for MPS.

49. When is cheap money policy followed ?

50. Give the expansion for VAT.

SECTION – B

V. *N. B.* :   i)   Answer any *ten* questions.

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

$$10 \times 3 = 30$$

51. What are the main divisions of Economics ?

52. List the basic features of Socialism.

53. Name the important general economic systems.

54. What are the properties of indifference curve ?

55. Write a note on Giffen paradox.

56. What is equilibrium price ?

57. Differentiate between the short period and the long period.

58. Define labour.

59. Who is an entrepreneur ?

60. What is economic cost ?

61. Define opportunity cost.

62. What are the three motives of liquidity preference ?

63. What is multiplier ?

64. Define money.

65. Give the meaning of tax.

[Turn over

SECTION – C

VI. *N. B.* : i) Answer any *six* 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. Distinguish between laws of returns and returns to scale.

69. Explain AR and MR curves under perfect and imperfect markets.

70. Explain the marginal cost with suitable illustrations.

71. Explain the features of perfect competition.

72. What are the determinants of consumption other than income ?

73. Describe the consumption function with a diagram.

74. What are the limitations of Fiscal policy ?

75. Explain the canons of taxation.

SECTION – D

VII. *N. B.* : i) Answer any *three* questions.

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

3 × 20 = 60

76. Discuss the nature and scope of Economics.

77. Explain the law of Diminishing Marginal Utility with a table and diagram.

78. Discuss the law of demand with suitable diagram.

79. What is monopoly ? Explain price and output determination under monopoly.

80. Discuss marginal productivity theory of distribution.

81. What is monetary policy ? Discuss the objectives and limitations of monetary policy.

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