

Economics

Time : 3 Hours

Marks : 100

Q.1 (A) Fill in the blanks with appropriate alternatives given in the brackets : (5) [20]

1. Human want-satisfying power of a commodity is called _____.
(Utility, Usefulness, Productivity, Unproductivity)
2. Demand of several consumers is called _____ demand.
(Individual, Joint, Market, Independent)
3. Perfectly elastic demand curve is _____.
(parallel to x-axis, parallel to y-axis, going upward, going downward)
4. Monopolist means a _____.
(single seller, several sellers, single buyer, several buyers)
5. _____ economics deals with the study of whole society's economic problem.
(Micro, Macro, Labour, Industrial)

(B) State whether the following statements are TRUE or FALSE : (5)

1. Price theory is the base of micro economic analysis.
2. Demand for electricity means composite demand
3. All capital is wealth but all wealth is not capital.
4. Standard money means that coin in case of which face value and metallic value is same.
5. Central Bank creates credit money.

(C) Choose the correct answer : (5)

1. If price of the commodity decreases then _____.
(a) demand contracts (b) demand expands
(c) demand remains constant (d) demand is zero
2. If more substitutes are available for a commodity then _____.
(a) demand is less elastic (b) demand is perfect elastic
(c) demand is more elastic (d) demand is unitary elastic
3. Due to decrease in aggregate demand in the economy _____.
(a) employment increases (b) employment decreases
(c) production increases (d) inflation increases
4. For satisfying human wants, uses of goods and services means _____.
(a) consumption (b) saving
(c) expenditure (d) income
5. The account in which a certain amount of money is deposited every month regularly for a fixed duration is _____.
(a) saving account (b) current account
(c) recurring deposit account (d) fixed deposit account

(D) Match the following Group 'A' with Group 'B':

(5)

Group 'A'	Group 'B'
(a) Equi-marginal utility	(1) Motive of foresight
(b) Cross elasticity	(2) Credit money
(c) Less consumption expenditure	(3) Ricardo
(d) Bills of exchange	(4) Maximum satisfaction from limited income
(e) Statement of income and expenditure	(5) Change in the price of substitute goods and complementary goods
	(6) Budget
	(7) Cash money

Q.2 (A) Define or Explain the following concepts. (Any FOUR) :

(8) [16]

1. Perfectly inelastic demand
2. Price discrimination
3. Macro economics
4. Government expenditure
5. Marginal propensity to save
6. Traveller's cheque
7. Clearing house
8. Surplus budget

(B) State whether the following statements are TRUE or FALSE. Give reasons. (Any FOUR) :

(8)

1. Micro economics studies individual units of the economy.
2. All desires are demand.
3. Supply of land cannot be increased.
4. Macro economics is also called as Micro economics.
5. Transfer income cannot be included in the national income.
6. Commercial banks cannot give interest on deposits.
7. Central bank has monopoly power to issue the currency.
8. The government budget is for unlimited time period.

Q.3 (A) Distinguish between. (Any FOUR) :

(8) [16]

1. Utility and Usefulness.
2. Direct demand and Indirect demand.
3. Individual supply and Market supply.
4. Natural monopoly and Social monopoly.

5. Fixed capital and Variable capital.
6. Total income method and Total expenditure method.
7. Import and Export.
8. Convertible paper money and Inconvertible paper money.

(B) Give reasons or Explain. (Any FOUR) :

(8)

1. Government feels that micro economics is useful.
2. Demand varies inversely with price.
3. Demand for necessary goods is inelastic.
4. The supply curve has a positive slope.
5. Services of housewives are not included in national income.
6. Consumption function depends upon distribution of National income.
7. Credit creation becomes less in presence of more cash.
8. For the period of depression deficit budget is prepared.

Q.4 (A) Write answers in one or two paragraphs each. (Any TWO) :

(8) [16]

1. Explain the features of micro economics.
2. What are the determinants of aggregate supply?
3. Explain how commercial banks create the credit money.
4. Explain the factors of budget.

(B) Write explanatory notes. (Any TWO) :

(8)

1. Functions of an entrepreneur.
2. Total output method of measuring National Income.
3. Objective factors of saving function.
4. Primary functions of money.

Q.5 State with reasons, whether you Agree or Disagree with the following statements.

(Any TWO) :

[16]

1. There are no exceptions to the law of demand.
2. Market supply depends upon several factors.
3. A seller is a price maker in the monopoly.

Q.6 Answer in detail. (Any TWO) :

[16]

1. Explain the relationship between total utility and marginal utility.
2. Explain the features of macro economics.
3. Explain qualitative (selective) methods of credit control by the Central Bank.

