4363

Register
Number

Part III — ECONOMICS

(English Version)

Time Allowed : 3 Hours]   [Maximum Marks : 200

PART – A

N. B. : Answer *all* the questions.   50 × 1 = 50

I.   Choose the correct answer of the following :   14 × 1 = 14

   1.   The author of 'Scarcity Definition' is

   a)   Marshall

   b)   Adam Smith

   c)   Lionel Robbins

   d)   Samuelson.

   2.   In a socialist economy, all decisions regarding production and distribution
   are taken by

   a)   market forces

   b)   central planning authority

   c)   customs and traditions

   d)   private sector.

[Turn over

3. Utility is a

    a)   social concept

    b)   subjective / psychological concept

    c)   political concept

    d)   scientific concept.

4. Demand for a commodity depends on

    a)   price of that commodity

    b)   price of related goods

    c)   income

    d)   all of these.

5. Increase in demand is shown by

    a)   movement along the same demand curve

    b)   shifts of the demand curve

    c)   the highest point on the demand curve

    d)   the lowest point on the demand curve.

6. Above the equilibrium price,

    a) $S < D$

    b) $S > D$

    c) $S = D$

    d)   none of these.

7. Labour cannot be separated from

   a) capital   b) labourer

   c) profit   d) organisation.

8. Social costs are those costs

   a) not borne by the firms

   b) incurred by the society

   c) health hazards

   d) all of these.

9. Perfect competition is a market situation where we have

   a) single seller

   b) two sellers

   c) large number of sellers

   d) few sellers.

10. Rent is the price paid for the use of

    a) capital   b) organisation

    c) land   d) labour.

11. The central problems in macro-economics are

    a) income and employment

    b) price and output

    c) interest and money

    d) none of these.

[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. Currency with the public is known as

   a) M_1

   b) M_2

   c) M_3

   d) M_4 .

14. The federal form of Government consists of

   a) Central, State and Local Governments

   b) Central and State Governments

   c) State and Local Governments

   d) all of these.

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. .... means using up of goods and services.

18. Adding up of individual consumers schedule is ....

19. The supply curve in the market period is a .... line.

[Turn over

20. The functional relationship between inputs and outputs is known as ....

21. The marginal cost curve is .... shaped.

22. When the Average Revenue of the firm is greater than the Average Cost, the firm is earning ....

23. Organisation is done by the ....

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

25. Deflation is a period marked by .... prices.

26. .... are considered as fundamental principles of taxation.

III. Match the following :   12 × 1 = 12

27. Wealth   a)   Gold and Silver

28. Minimum cost   b)   Hawley

29. Maximum social advantage   c)   C + I + G + (X – M)

30. Cross elasticity is zero   d)   Marshall

31. Price discount   e)   Best Tax system

32. Bundle of risks   f)   Maximum benefit

33. Profit   g)   Annual Stock clearance

34. Global market   h)   Purchasing power of money

35. Waiting theory of interest   i)   Hicks and Dalton

36. Aggregate demand   j)   Stock

37. Value of money   k)   X and Y are not related

38. Progressive Tax   l)   TR – TC.

[Turn over

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

39. Give one or two examples of free goods.

40. Name any two successful socialist economies.

41. What is the other name for the budget line ?

42. Give the formula for point method.

43. Give an example for fixed input.

44. Who is the changing agent of the society ?

45. What is the break-even point ?

46. Who undertakes public utilities ?

47. Who is the author of the 'Rent Theory of Profits' ?

48. Give the formula for multiplier.

49. Give the example of a country that experience hyperinflation.

50. Give the expansion for VAT.

PART – B

V. N. B. : i)   Answer any *ten* of the following.

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

$10 \times 3 = 30$

51. State Alfred Marshall's definition of economics.

52. What are the basic issues of any society ?

53. What is opportunity cost ?

54. Define consumer surplus in the words of Marshall.

55. Why does the demand curve slope downwards ?

56. Write a short note on Market period.

57. What is equilibrium price ?

58. Define labour.

59. What are the forms of capital ?

60. What are economic costs ?

61. Write a short note on Marginal cost.

62. What are the three motives of liquidity preference ?

63. What are the assumptions of law of markets ?

64. Define monetary policy.

65. What is Zero-based Budget ?

PART – C

VI. *N. B.* : i)   Answer any *six* of the following.

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

66. Write a note on traditional economy.

67. Describe the flatter long-run supply curve.

68. Explain the merits and demerits of division of labour.

69. Write a note on long-run average cost curve.

70. Explain the relationship between SAC and SMC.

71. What are the methods of controlling monopoly ?

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

73. What are the assumptions of Keynes' Simple Income determination.

74. What are the main sources of tax and non-tax revenues of the Central Government ?

75. Differentiate between the direct and indirect taxes.

PART – D

VII.   N. B. :   i)   Answer any *three* of the following.

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

                                                                3 × 20 = 60

76. Discuss the relationship between economics and other social sciences.

77. Explain the characteristics of human wants.

78. Discuss the Law of Demand with suitable diagram.

79. How is the price and output determined in the short-run under perfect competition ?

80. Discuss Keynesian Theory of Interest.

81. Explain the objectives and instruments of monetary policy.