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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.

$50 \times 1 = 50$

I. Choose the best answer of the following :

$14 \times 1 = 14$

1. The father of Economics is

- a) Adam Smith
- b) Marshall
- c) Lionel Robbins
- d) Samuelson.

2. Minimum state intervention was advocated by

- a) J.M. Keynes
- b) Adam Smith
- c) Hicks
- d) Stonier.

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3. The concept of consumer's surplus was introduced by
- a) Alfred Marshall
 - b) Prof. J.R. Hicks
 - c) A.C. Pigou
 - d) J.K. Easthan.
4. Supply curve is
- a) an upward sloping curve
 - b) a vertical line
 - c) a downward sloping curve
 - d) a horizontal straight line.
5. means a desire to pay, a decision to buy and the ability to pay or the purchasing power.
- a) Demand
 - b) Utility
 - c) Want
 - d) Satisfaction.
6. The price determined under market period is called
- a) market price
 - b) normal price
 - c) equilibrium price
 - d) none of these.

7. Labour cannot be separated from
- a) capital
 - b) labourer
 - c) profit
 - d) organisation.
8. Economic cost is the addition of explicit cost and
- a) money cost
 - b) social cost
 - c) implicit cost
 - d) private cost.
9. Price discrimination is also known as
- a) perfect competition
 - b) duopoly
 - c) discriminating monopoly
 - d) oligopoly.
10. Rent is the price paid for the use of
- a) capital
 - b) organisation
 - c) labour
 - d) land.

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11. "Supply creates its own demand" was stated by
- a) J.R. Hicks
 - b) Keynes
 - c) Marshall
 - d) J.B. Say.
12. In the four sector economy, the total income or output
- a) $Y = C + I + G$
 - b) $Y = C + I + G + (X + M)$
 - c) $Y = C + I + G + (X - M)$
 - d) none of these.
13. Monetary policy is implemented by
- a) Central and State Governments
 - b) Central Bank of the country
 - c) Local moneylenders
 - d) Private enterprises.
14. comes under direct tax.
- a) Income tax
 - b) Sales tax
 - c) Excise duties
 - d) Customs duties.

II. Fill in the blanks :

12 × 1 = 12

15. The term 'Micro' means
16. Consumer is a 'king' in economy.
17. The alternative goods are known as
18. Supply is always at a
19. In the short period influences the price very much.
20. Labour can be divided into physical labour and labour.
21. In the long run, all factors of production are
22. A firm in a perfectly competitive market is a price
23. The Marginal productivity theory of distribution is a general theory of
..... pricing.
24. Government investment is investment.
25. Cheap money policy is also called as
26. Modern governments are states.

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III. Match the following :

12 × 1 = 12

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| 27. City state | a) Implicit cost |
| 28. Village Economy | b) Perfect competition |
| 29. J.R. Hicks | c) Karl Marx |
| 30. Tea and coffee | d) Direct Tax |
| 31. Static equilibrium | e) Polis |
| 32. Cobb-Douglas | f) Marginal Efficiency of capital |
| 33. Entrepreneur's own factors of production | g) Production function |
| 34. Absence of collusion | h) Traditional economy |
| 35. Exploitation of labour | i) Narrow money |
| 36. Expected rate of profit | j) Ordinal utility |
| 37. M_1 | k) Substitutes |
| 38. Corporate tax | l) Still photograph. |

IV. Answer each one of the following questions in a word or two :

12 × 1 = 12

39. Who introduced the micro- and macro-economic methods of analysis ?
40. Who is the first Nobel Laureate in Economics from India and Asia ?
41. What is the other name for Marshallian utility analysis ?
42. In which period does supply remain constant ?
43. Who introduced the concept of time element ?
44. Mention the primary factors of production.
45. $\frac{TR}{Q} = ?$

46. Is "Product differentiation" related to perfect competition ?
47. What is the price paid for the use of capital ?
48. Who developed the concept of multiplier originally ?
49. If prices are rising at 100 or 200 percent in a year, what is that situation called ?
50. Give any two examples for direct taxes.

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. Define 'microeconomics'.
52. State Alfred Marshall's definition of economics.
53. Explain 'Administered price'.
54. How do you classify human wants ?
55. Write a short note on 'Giffen's paradox'.
56. Explain 'Market period'.
57. What is meant by 'place utility' ?
58. Give the meaning of 'Division of labour'.
59. Explain Marginal Revenue.
60. Distinguish between a firm and an industry.
61. What do you mean by pure competition ?
62. Name the two types of rents explained by David Ricardo.
63. Write a note on Accelerator.
64. What is meant by 'deflation' ?
65. What do you understand by deficit financing ?

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SECTION - C

VI. N. B. : i) Answer any *six* questions.

ii) Answer for each question should be about a page. $6 \times 10 = 60$

66. Explain the nature of Economic laws.
67. Mention the limitations of the law of Equimarginal utility.
68. What are the determining factors of supply ?
69. Explain the determination of price in market period with a diagram.
70. Define 'labour'. What is the role of Trade Union ?
71. Explain the 'Real cost' and 'Money cost'.
72. How can the government control monopoly ?
73. Explain the modern theory of interest.
74. Explain the Innovations Theory of profit.
75. What are the differences between Direct Taxes and Indirect Taxes ?

SECTION - D

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

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

$3 \times 20 = 60$

76. Analyse the features, merits and demerits of capitalist economy.
 77. Describe the Law of Diminishing Marginal Utility with a diagram.
 78. Explain the five kinds of Price Elasticity of Demand with diagrams.
 79. Determine equilibrium price and output under Monopoly. What are the advantages and disadvantages of Monopoly ?
 80. Explain the determination of equilibrium level of income with the help of a diagram.
 81. Describe in detail the types, causes and measures to control inflation.
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