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Number

Part III — ECONOMICS

(English Version)

Time Allowed : 3 Hours]   [Maximum Marks : 200

PART – A

Note : Answer *all* the questions.

I.   Choose the correct answer for the following and write in the answer-book :

$$14 \times 1 = 14$$

1.   The author of Wealth Definition is

   a)   Alfred Marshall   b)   Lionel Robbins

   c)   Adam Smith   d)   Samuelson.

2.   The basic force that drives the Capitalist Economy is

   a)   Planning

   b)   Technology

   c)   Government

   d)   Profit motive.

[Turn over

3. The indifference curve approach was introduced by

   a) Alfred Marshall

   b) Lionel Robbins

   c) J. R. Hicks and R.G.D. Allen

   d) Adam Smith.

4. Law of demand establishes

   a) inverse relationship between price and quantity

   b) positive relationship between price and quantity

   c) both (a) and (b)

   d) none of these.

5. Factors determining supply are

   a) production technology

   b) prices of factors of production

   c) taxes and subsidies

   d) all of these.

6. The time element in price analysis was introduced by

   a) J. R. Hicks   b) J. M. Keynes

   c) Alfred Marshall   d) J. S. Mill.

7. Production refers to

    a) destruction of utility

    b) creation of utilities

    c) exchange value

    d) none of these.

8. Average fixed cost is obtained by dividing

    a) TC / Q   b) TFC / Q

    c) TVC / Q   d) None of these.

9. Most important form of selling cost is

    a) Advertisement

    b) Sales

    c) Homogeneous product

    d) none of these.

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

    a) Adam Smith

    b) Marshall

    c) Ricardo

    d) Samuelson.

[Turn over

11. The Macro-Economic thinking was revolutionized by

   a)   David Ricardo   b)   J. M. Keynes

   c)   Adam Smith   d)   Malthus.

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 compulsory charge levied by the government is

   a)   Licence fees   b)   Gifts and grants

   c)   Loan   d)   Tax.

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

15. The term 'micro' means ....

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

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

18. The demand curve slopes downwards due to ....

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

20. Land and Labour are called .... factors.

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

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

III. Match the following :   12 × 1 = 12

27. Principles of Economics   a)   Revenue and Expenditure are equal

28. Market force   b)   Marshall

29. Luxuries   c)   Low rate of interest

30. Tea and Coffee   d)   Supply-demand and price

31. Excess demand   e) $\dfrac{1}{1 - MPC}$

32. Division of Labour   f)   Diamond, Jewels

33. Profit   g)   Neo-Classical theory

34. Monopolistic competition   h)   Substitutes

35. Lonable Funds theory   i)   E. H. Chamberlin

36. K   j) $D > S$

37. Cheap Money Policy   k)   Adam Smith

38. Balanced Budget   l) $TR - TC$.

[Turn over

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

   39. What is the other name for economics ?

   40. Name any two successful socialist economies.

   41. What is the other name for the Law of Equimarginal Utility ?

   42. Give the formula for point method.

   43. Who has introduced the time element ?

   44. Who is the changing agent of the society ?

   45. What is an envelope curve ?

   46. In which year was the MRTP Act passed ?

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

   48. State J. B. Say's law of markets.

   49. When is dear money policy followed ?

   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. What are the main divisions of Economics ?

   52. What are the basic issues of any society ?

   53. Name the important general economic systems.

   54. Define Utility.

   55. What are the determinants of demand ?

56. What is equilibrium price ?

57. Differentiate the short period from the long period.

58. What is meant by Division of Labour ?

59. What is production function ? What are its classifications ?

60. Define opportunity cost.

61. Mention the relationship between *MC* and *AC*.

62. What are the three motives of liquidity preference ?

63. Write a note on multiplier.

64. What are the four components of money supply in India ?

65. What are the Adam Smith's canons of taxation ?

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. What are the merits and demerits of a Mixed Economy ?

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

68. What are the functions of entrepreneur ?

69. Explain the relationship between AR and MR curves.

70. Explain the marginal cost with suitable illustration.

71. Explain the features of perfect competition.

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

73. Describe the consumption function with diagram.

74. Explain the canons of taxation.

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. Describe the Law of Diminishing Marginal Utility with a diagram.

78. Discuss the Law of Demand.

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

80. Examine Ricardian theory of rent.

81. Discuss the objectives and instruments of monetary policy.