

Ashish Group Tuition

Time: 3 Hrs

Sub: Economics

Marks: 80

- Note: 1) All Questions are compulsory
2) Figures to the right indicate full marks
3) Answer to every question must be started on a new page.

Q.1. (A) Fill in the blanks using proper alternatives given in the brackets: (5)

- (1) The terms 'micro' and 'macro' economics were first used by _____. (Adam Smith / Robbins / Ragner Frisch / Prof. Marshall)
- (2) _____ consumption cannot be zero. (Induced / Autonomous / Government / Private)
- (3) During depression, _____ budget is preferable. (balanced / surplus / deficit / zero)
- (4) The demand for salt is _____. (elastic / inelastic / infinite elastic / unitary elastic)
- (5) National income is _____ concept. (stock / final / intermediate / flow)

(B) Match the correct pairs: (5)

Group A	Group B
1. Demand for electricity	a. Rent
2. Perfectly elastic supply	b. Transfer income
3. Land	c. Dear money policy
4. Pension	d. Composite demand
5. Inflation	e. Horizontal supply curve
	f. Part of national income
	g. Vertical supply curve
	h. Cheap money policy

(C) State whether the following statements are True or False: (6)

- (1) Concept of 'elasticity of demand' is useful for the finance minister.
- (2) Supply of perishable goods is inelastic.
- (3) Under perfect competition, price is determined by equilibrium of demand and supply.
- (4) Token coins are such coins whose face value is greater than their intrinsic value.
- (5) Total Revenue = Total quantity × Price
- (6) Capital is a natural factor of production.

Q.2. (A) Define or explain the following concepts (Any THREE): (6)

- (1) Individual economic unit
- (2) Marginal utility
- (3) Elasticity of demand
- (4) National income
- (5) Effective demand
- (6) General equilibrium

(B) Give reasons or explain the following statements (Any THREE): (6)

- (1) The supply of agricultural commodity is relatively inelastic.
- (2) A monopolist can control the supply of goods.
- (3) The supply of land is inelastic.
- (4) Macro economics is different from micro economics.
- (5) With the increase in income, both consumption and savings increase.
- (6) Micro economics is also known as price theory.

Q.3. (A) Distinguish between the following (Any THREE): (6)

- (1) Desire and Demand
- (2) Slicing method and Lumping method
- (3) Paper money and Metallic coins
- (4) Partial equilibrium and General equilibrium.
- (5) Micro Economics and Macro Economics.
- (6) Average revenue and Average cost

(B) Write short notes (Any TWO): (6)

- (1) Subject matter of micro economics
- (2) Geometric method of measuring price elasticity of demand
- (3) Price determination under perfect competition
- (4) Features of labour

Q.4. Answer the following questions (Any THREE): [12]

- (1) Explain the relationship between 'total utility' and 'marginal utility'.
- (2) What are the features of monopolistic competition?
- (3) What are the features of macro economics?
- (4) Explain the types of investment expenditure.
- (5) What are the types of budget?
- (6) What are the determinants of aggregate demand?

Q.5. State with reasons, whether you 'agree' or 'disagree' with the following statements (Any THREE): [12]

- (1) Law of diminishing marginal utility depends upon various assumptions.
- (2) There are many types of demands.
- (3) There are no exceptions to the law of supply.
- (4) Barter system had many difficulties.
- (5) There is no difference between Stock and Supply.
- (6) Price is the only determinant of supply.

Q.6. Write explanatory answers (Any TWO): [16]

- (1) Explain the law of demand with its assumptions.
- (2) What is price elasticity of demand? Explain the types of price elasticity of demand.
- (3) What are the types of Elasticity of Demand?
- (4) Explain the output method of measuring national income.