

DAY — 06

SEAT NUMBER

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2016 VII 16

1030

J-58

(E)

ECONOMICS (49)

Time : 3 Hrs.

(4 Pages)

Max. Marks : 80

- Note :*
- (1) All questions are compulsory.
 - (2) Draw tables/diagrams wherever necessary.
 - (3) Figures to the right indicate full marks.
 - (4) Write answers to all questions on new pages.

Q. 1. (A) Fill in the blanks using proper alternatives given in the brackets : [16]

- (1) Micro Economics is a study of _____.
(whole economy / general price level / national output / individual economic unit)
- (2) Indirect demand is also known as _____ demand.
(derived / direct / composite / joint)
- (3) Under monopoly there is existence of _____.
(single buyer / several buyers / single seller / several sellers)
- (4) Produced means of production is known as _____.
(land / labour / capital / entrepreneur)

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- (5) Budget is the _____ of the revenue and expenditure of the coming year.

(exact value / estimate / planning of private sector / planning of co-operative sector)

(B) Match the following : (5)

- | Group 'A' | Group 'B' |
|-------------------------|--|
| (a) Electricity | (1) Inelastic demand |
| (b) Complementary goods | (2) Share brokers |
| (c) Pension | (3) Elastic demand |
| (d) D-mat account | (4) Composite demand |
| (e) Central Bank | (5) Transfer income |
| | (6) Primary function of Commercial Banks |
| | (7) ATM facility |
| | (8) Apex banking institution |

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

- (1) Perfectly inelastic demand curve is parallel to 'X' axis.
- (2) Micro Economic theory assumes full employment.
- (3) There is no product differentiation under monopolistic competition.
- (4) Labour is a perishable factor of production.
- (5) Investment made by the government is autonomous investment.
- (6) The Cash Reserve Ratio does not affect the lending capacity of the commercial banks.

Q. 2. (A) Define or explain the following concepts (Any THREE) : (6) [12]

- (1) Micro Economics
- (2) Service utility
- (3) Market demand
- (4) Induced consumption expenditure

- (5) Token coins
- (6) Government budget

(B) Give reasons or explain the following statements

(Any THREE) :

(6)

- (1) Demand for habitual goods is normally inelastic.
- (2) Supply of land is perfectly inelastic.
- (3) Macro Economics is concerned with macro economic variables.
- (4) Rate of interest on fixed deposit is high.
- (5) Central Bank acts as a lender of the last resort.
- (6) A deficit budget may prove useful during the period of depression.

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

(6) [12]

- (1) Average Revenue and Average Cost.
- (2) Land and Capital
- (3) Partial equilibrium and General equilibrium.
- (4) Metallic money and Paper money.
- (5) Central Bank and Commercial Bank.
- (6) Revenue expenditure and Capital expenditure.

(B) Write short notes (Any TWO) :

(6)

- (1) Giffen's paradox.
- (2) Income elasticity of demand.
- (3) Difficulties in Barter system.
- (4) Credit creation.

Q. 4. Write short answers for the following questions (Any THREE) :

[12]

- (1) Explain the Law of Demand.

- (2) Explain increase in supply and decrease in supply.
- (3) What is the importance of the study of Micro Economics?
- (4) Explain factors determining elasticity of demand.
- (5) Explain features of National income.
- (6) Explain qualitative measures of credit control adopted by the Central Bank.

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

- (1) Price is the only factor that affects demand of a commodity.
- (2) Price elasticity of demand can not be measured by using geometric method.
- (3) There is direct relationship between price and quantity supplied.
- (4) Aggregate supply is influenced only by availability of natural resources.
- (5) Commercial banks perform agency functions to earn profit.
- (6) There is a difference between Micro Economics and Macro Economics.

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

- (1) State and explain in detail the Law of Diminishing Marginal Utility.
- (2) Define perfect competition and explain price determination under perfect competition.
- (3) Explain the 'Output Method' of measuring National income.
- (4) What is Aggregate demand? Explain the determinants of Aggregate demand.

