

Economics

Time : 3 Hrs.

March - 2009

Marks : 10

Q. 1. (A) Rewrite the following sentences by using proper substitute given in the brackets :

- (1) A study of is Micro-economics. (*Whole economy / Industries / Firm / National income*)
- (2) A is the leader of the organisation. (*Capitalist / Consumer / Seller / Organiser*)
- (3) commodities prevail under perfect competition. (*Secondary / Different / Homogeneous / Inequ*)
- (4) In India, paper currency is known as
(*Optional money / Legal tender money / Cumulative money / Lender money*)
- (5) The bank rate is the mean of credit control. (*Qualitative / Quantitative / Structural / Disguis*)

(B) State whether the following statements are TRUE or FALSE :

- (1) Utility is a subjective concept.
- (2) The demand of factors of production is direct demand.
- (3) The demand of durable goods is inelastic.
- (4) When the price of a commodity raises the demand will fall.
- (5) Macro-economics is useful to solve the individual problems.

(C) Choose the correct answer and rewrite the statements :

- (1) When there is decrease in price, the demand will
(*a) raise (b) decrease (c) become zero (d) remain constant*)
- (2) The demand of consumer goods is
(*a) direct demand (b) indirect demand (c) mixed demand (d) joint demand*)
- (3) When the rate of interest increases, the saving will
(*a) decrease (b) become zero (c) increase (d) remain constant*)
- (4) The higher rate of interest paid on deposits is known as
(*a) saving deposit (b) fixed deposit (c) current deposit (d) recurring deposit*)
- (5) In surplus budget, expenditure is
(*a) more than income (b) less than income (c) equal to income (d) minus income*)

(D) Match the following :

Group 'A'	Group 'B'
(a) Demand and price	(1) Dr. Marshall
(b) Elasticity of demand	(2) Lord Keynes
(c) Aggregate demand	(3) Commercial bank
(d) Propensity to consume	(4) Inverse relation
(e) Giving loans	(5) Prof. Robbins
	(6) Consumption
	(7) Equal relation

Q. 2. (A) Explain the following concepts of definitions : (Any FOUR)

- (1) Micro-economics
- (2) Giffen's goods
- (3) National income
- (4) Labour

- (5) Propensity to consume (6) Credit money
(7) Bank rate (8) Balanced budget

**(B) State whether the following statements are TRUE or FALSE with reasons :
(Any FOUR)**

- (1) The demand of composite commodities is elastic.
- (2) The seller is price maker under perfect competition.
- (3) Macro-economics studies individual units.
- (4) The scope of Macro-economy is wide.
- (5) The aggregate supply depends only on the availability of natural resources.
- (6) The interest is same on fixed and saving deposits.
- (7) The Central bank creates credit creation.
- (8) Donation is not compulsory.

Q. 3. (A) Distinguish between any FOUR of the following :

- (1) Micro-economics and Macro-economics.
- (2) Increase in demand and Expansion in demand.
- (3) Perfect elastic demand and Perfect inelastic demand.
- (4) Individual supply and Market supply.
- (5) Production method and Expenditure method.
- (6) Income and Saving.
- (7) Current deposit and Recurring deposit.
- (8) Surplus budget and Balanced budget.

(B) Give reasons or explain the following sentences : (Any FOUR)

- (1) Marginal utility diminishes.
- (2) Desire is not demand.
- (3) Agricultural products is exception to the Law of supply.
- (4) There is price discrimination in monopoly.
- (5) Labour is a perishable factor.
- (6) Illegal income is not included in national income.
- (7) The stock of capital is a determinant factor of aggregate supply.
- (8) Money is the medium of exchange.

Q. 4. (A) Write answers in brief : (Any TWO)

- (1) State the features of labour.
- (2) Explain the Income method to measure the national income.
- (3) What is propensity to consume ?
- (4) What is metallic money ?

(B) Write explanatory notes or answer the following : (Any TWO)

- (1) Micro-economics. (2) Government expenditure.
- (3) Types of deposits. (4) Components of budget.

Q. 5. Do you agree with the following statements ? Give reasons : (Any TWO)

- (1) The law of diminishing marginal utility could be explained with example and diagram.
- (2) The measurement of national income depends upon macro-economics.
- (3) Central bank has control on credit creation.

Q. 6. Answer the following questions in details : (Any TWO)

- (1) Explain the law of demand and its exceptions.
- (2) Explain the law of supply with assumptions and exceptions.
- (3) What is perfect competition ? State the price determination under perfect competition.

