DAY — 12 SEAT NUMBER

2018	III	09	1100	J - 309	(E)

ECONOMICS (49)

Time : 3 Hrs. (4 Pages) Max. Marks : 80

Note : (1) *All questions are compulsory.*

(2) *Draw neat tables / diagrams wherever necessary.*

(3) *Figures to the right indicate full marks.*

(4) *Write answers to all main questions on new pages.*

Q. 1. (A) Fill in the blanks using proper alternatives given in the brackets : [16] (5)

(1) The terms 'micro' and 'macro' economics were first used by ______.

(Adam Smith / Robbins / Ragner Frisch / Prof. Marshall)

(2) ______ consumption can not 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)

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(5) ______ is a primary function of commercial bank.
(Purchase and sell securities / Accept deposits / Safe deposit vault / Letter of credit)

(B) Match the following words from group 'A' and 'B' : (5)

	Group 'A'		Group 'B'
(a)	Demand and price	(1)	Wages
(b)	Perfectly elastic supply	(2)	Vertical supply curve
(c)	Land	(3)	Transfer income
(d)	Unemployment allowance	(4)	Horizontal supply curve
(e)	Reserve Bank of India	(5)	Inverse relation
		(6)	Rent
		(7)	1935
		(8)	Direct relation

(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) Credit control is the function of commercial banks.

(6) Central bank also performs commercial banking business.

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

(1) Individual economic unit

(2) Marginal utility

(3) Elasticity of demand

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(4) National income

(5) Effective demand

(6) Budget

(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) As a banker for the government, the central bank transfers government funds.

(6) Micro economics is also known as price theory.

Q. 3. (A) Distinguish between the following (Any THREE) : (6) [12]

(1) Desire and Demand

(2) Slicing method and Lumping method

(3) Paper money and Metallic coins

(4) Quantitative and Qualitative measures of credit control

(5) Output method and Income method of measuring national income

(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.

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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 different types of loans provided by commercial banks?

(6) Explain the development and non-development expenditures of government.

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) Central bank has the sole power of issuing currency notes.

(6) Overdraft facility is not provided to the current account holders.

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) State and explain J.M. Keynes's 'psychological law of consumption'.

(4) Explain the output method of measuring national income.

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