

Model Question Paper
March 2011
Semester-II

Time 3 hrs

Theory **100**
Int Ass. **20**
Total **120**

Economics (Humanities Group)

Note: All questions are compulsory.

- 1 The question paper has two parts A and B in accordance with prescribed syllabus.
- 2 There are 16 questions. 8 questions each in Part A and Part B.
3. Question No. 1 and 9 are objective type and each carries 10 subparts of one marks each.
- 4 Question No. 2 to 6 and 10 to 14 are of 4 marks. Each and should be answer in 75 to 80 words.
- 5 Question No. 7 to 8 and 15 to 16 are of 10 marks. Each with internal choice. Answer of these question should be given in about 250-300 words.

Part A

1 Choose the correct alternative from the following questions.

I) .The change in total production due to application of one additional unit of variable factor is called.....

- a) Average Production b) Total Production c) Marginal Production d) None of these

II) The total quantity of a commodity which at a given time is available in the market with the seller is called.

- a) Stock b) Ouantity Demanded c) Flow d) None of These

III) The costs which vary as the level of output varies are called.....

- a) Prime Costs b)Direct Costs Total variable Costs d)All the above
b)

IV) When marginal revenue is declining then total revenue is increasing at.

- a) Increasing rate b) Diminishing rate c) Constant rate d) All of the above

V) A market situation where there is a single seller of a product is called

- a) Perfect Competition b) Monopoly c) Imperfect Competition d) None of those

VI). Define Law of Diminishing returns.

VII) What is meant by elasticity of supply?

VIII) Define fixed Cost.

IX) Calculate the following

Unit sold	2	3	4	5	6
Average revenue	3	5	6	7	8

Total revenue

X) Define Producer's equilibrium.

10X1=10

2. Why does law of diminishing returns apply mostly to agricultural sector?
3. When price of a commodity increases from Rs 5 to Rs 6 per unit its quantity supplied rises from 400 units to 500 units. Calculate its price elasticity of supply.
4. Explain the relationship between marginal cost and average variable cost with the help of a diagram.
5. How is price affected by increase in supply and decrease in demand.

6. Perfect competition is no competition. How?

5X4=20

7. Explain the law of supply with the help of a supply schedule and supply Curve? **10**

Or

What is the relationship between Average Cost and Marginal Cost? Explain with the help of suitable diagram.

8. What is total revenue, average revenue, and marginal revenue? Explain relationship among these. **10**

Or

What is meant by Producer's equilibrium? Explain with the help of MC and MR.

Part B

9. Choose the correct alternative from the following questions

I. The ratio of change in income to the change in investment is known as....

- a) Change in Capital b) Multiplier c) Dividend d) All of these

II. When aggregate Demand (AD) is short of aggregate Supply (AS) in relation to full employment in the economy, the situation is called

- a) Excess Demand b) Deficient Demand c) Joint Demand d) None of these.

III. The policy concerning the revenue, expenditure and debt of the capital for achieving definite objectives is called

- a) Monetary policy b) Fiscal policy c) finance policy d) All of these.

IV. Which one is the primary function of money?

- a) Standard of deferred payments b) Bearer of option
c) Liquidity of Capital d) Measure of value

V. When rate of tax doesn't change with the change in income it is called.

- a) Progressive tax b) Proportional Tax c) Ad-valorem d) None of the above.

VI. Define transfer payments.

VII. Calculate multiple When mpc is $1/3$?

VIII. Define deficient demand?

IX. What is meant by monetary policy?

X. What is near money?

- 10) When is gross domestic product of an economy equal to its gross national product?
- 11) In an economy the marginal propensity to consume 0.8. Investment is increased by Rs. 500 crore. Calculate the total increase in income and consumption expenditure?
- 12) Explain secondary functions of money?
- 13) Define commercial bank and explain its features?
- 14) Distinguish between direct taxes and indirect taxes.
- 15) Explain the various credit control measures adopted by the central bank

Or

Define money, explain its various function?

10

16) From the following data find out gross national product at market price:

I. Gross capital formation	15000
II. Gross final consumption expenditure	1200
III. Private final consumption expenditure	4000
IV. Export	400
V. Import	200
VI. Net factor income from abroad	-100

OR

Calculate the following from data given below?

a. Domestic factor income

b. National income

i. Compensation of employees	50000
ii. Interest	12000
iii. Profits and Dividends	15000
iv. Rent	18000
v. Mixed income	40000
vi. Net factor income from abroad	15000

10