



(English Version)

- Instructions :**
1. Write the question number **legibly** in the margin.
  2. Answer for the questions should be continuous.
  3. For PART – A questions only the first written answer will be considered for evaluation.

**PART – A**

I. Choose the correct answer. [Each question carries 1 mark] (5 × 1 = 5)

- 1) Which of the following is an example of micro economics study?
  - a) National income
  - b) Consumer behaviour
  - c) Unemployment
  - d) Foreign trade
- 2) The increase in total revenue for a unit increases in the output is
  - a) Marginal revenue
  - b) Average revenue
  - c) Total revenue
  - d) Fixed revenue
- 3) The Government imposed lower limit on the price of goods and services is called
  - a) Goods floor
  - b) Service floor
  - c) Price floor
  - d) Income floor



4)  $NNP = GNP -$

- |               |                 |
|---------------|-----------------|
| a) Deduction  | b) Depreciation |
| c) Investment | d) Capital      |

5) Consumption which is independent of income is called

- a) Induced consumption
- b) Autonomous consumption
- c) Wasteful consumption
- d) Past consumption

II. Fill in the blanks by choosing correct answer from the brackets  
[Each question carries 1 mark] (5 × 1 = 5)

(Perfect competition, Export, Choice, Government, RBI, 1<sup>st</sup> April to 31<sup>st</sup> March)

- 6) Scarcity of resources gives rise to \_\_\_\_\_.
- 7) Price taking behaviour is the single most distinguishing characteristic \_\_\_\_\_ market.
- 8) The domestic country may sell goods to the rest of the world are called \_\_\_\_\_.
- 9) \_\_\_\_\_ is the only institution which can issue currency in India.
- 10) Financial year runs from \_\_\_\_\_ to \_\_\_\_\_ in India.



(5 × 1 = 5)

III. Match the following. [Each question carries 1 mark]

- | A                      | B                              |
|------------------------|--------------------------------|
| 11) SMC                | a) Zero profit                 |
| 12) Normal Profit      | b) Non-monetary exchange       |
| 13) Domestic service   | c) $\Delta TC / \Delta Q$      |
| 14) Money              | d) Trade in goods and services |
| 15) Balance of payment | e) $QD = QS$                   |
|                        | f) Medium of Exchange          |

IV. Answer the following questions in a word or a sentence. [Each question carries 1 mark] (5 × 1 = 5)

- 16) Expand MRS.
- 17) Define market equilibrium.
- 18) How does you get net value added?
- 19) Write the formula of Marginal Propensity to Consume (MPC).
- 20) Who are 'Free riders'?



**PART – B**

V. Answer **any six** of the following questions in **4 sentences each**.  
[Each question carries **2 marks**] **(6 × 2 = 12)**

- 21) What do you mean by inferior goods? Give example.
- 22) Mention two different approaches which explain consumer behaviour.
- 23) Mention two determinants of a firm's supply curve.
- 24) Define Equilibrium price and quantity.
- 25) How wage is determined in the labour market?
- 26) What are the four factors of production? Mention their rewards.
- 27) Write the difference between nominal and real GDP.
- 28) Give the meaning of investment multiplier. Write its formula.
- 29) Distinguish between surplus budget and deficit budget.
- 30) Why do people demand foreign exchange?

**PART – C**

VI. Answer **any five** of the following questions in **12** sentences **each**.  
[Each question carries 4 marks] (5 × 4 = 20)

- 31) Write a note on market economy.
- 32) Write differences between Substitute goods and Complementary goods.
- 33) Explain Isoquant with the help of a diagram.
- 34) Write a note on 'Price Ceiling'.
- 35) Briefly explain in what way Macro Economics is different from Micro Economics.
- 36) Write a note on 'Externalities'.
- 37) "Money acts as a convenient unit of account". Explain this sentence with the example.
- 38) Explain the investment function with the help of diagram.
- 39) Write the chart of components of capital account.





**PART – D**

VII. Answer **any three** of the following questions in **20** sentences each.  
[Each question carries **6** marks] (3 × 6 = 18)

- 40) Explain the features of indifference curves with the help of diagrams.
- 41) Explain the Total revenue and Average revenue of the firm under perfect competition market with the help of diagram.
- 42) Explain the Macro Economic Identities.
- 43) Explain the Open Market Operation.
- 44) Explain the classification of Expenditure.

**PART – E**

VIII. Answer **any two** of the following project and assignment oriented questions.  
[Each question carries **5** marks] (2 × 5 = 10)

- 45) A Consumer wants to consume two goods. The price of Banana is Rs. 5 and the price of Mangoes is Rs. 10. The consumer income is Rs. 20. Answer the following questions.
  - a) How much bananas can she consume if she spend her entire income on that good?
  - b) How much Mangoes can she consume if she spend her entire income on that good?



- c) Is the slope of budget line downward or upward?
- d) Are the bundles on the budget line equal to the consumer's income or not?
- e) If you want to have more of Banana, you have to give up Mangoes. Is it true?

46) Find the missing products of the following table :

| Factor L | $TP_L$ | $MP_L$ | $AP_L$ |
|----------|--------|--------|--------|
| 0        | 0      | 0      | 0      |
| 1        | 10     | —      | 10     |
| 2        | 24     | —      | 12     |
| 3        | 40     | 16     | 13.33  |
| 4        | —      | 10     | —      |
| 5        | —      | 6      | 11.2   |
| 6        | 57     | 1      | 9.5    |

**[For Visually – Impaired students only]**

Give the meaning of TP, MP and AP.

47) Name the currencies of **any five** countries of the following :

USA, UK, Germany, Japan, China, Argentina, UAE, Bangladesh, Russia.

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