

OCTOBER - 2016

[Time : 3 hours]

ECONOMICS [XII] (With key)

[Marks : 200]

PART - A

Note : Answer **all** the questions.

I. Choose the **correct** answer **14 × 1 = 14**

1. The concept of Net Economic Welfare has been given by :
 - (a) Samuelson
 - (b) Alfred Marshall
 - (c) Adam Smith
 - (d) Lionel Robbins
2. Traditional economy is a :
 - (a) Subsistence economy
 - (b) Market economy
 - (c) Command economy
 - (d) Monetary economy
3. Utility is a :
 - (a) Social concept
 - (b) Subjective/Psychological concept
 - (c) Political concept
 - (d) Scientific concept
4. Law of Demand establishes :
 - (a) Inverse relationship between Price and Quantity
 - (b) Positive relationship between Price and Quantity
 - (c) Both
 - (d) None
5. The degree of response of demand to change in price is :
 - (a) Income elasticity of demand
 - (b) Cross-elasticity of demand
 - (c) Price elasticity of demand
 - (d) All the above
6. At the point of equilibrium :
 - (a) Only one price prevails
 - (b) Quantity demanded = Quantity supplied
 - (c) The demand curve intersects the supply curve
 - (d) All the above
7. Production refers to :
 - (a) Destruction of utility
 - (b) Creation of utilities
 - (c) Exchange value
 - (d) None
8. Real cost is :
 - (a) Pain and Sacrifice
 - (b) Subjective Concept
 - (c) Efforts and Foregoing leisure
 - (d) All the above
9. Most important form of selling cost is :
 - (a) Advertisement
 - (b) Sales
 - (c) Homogeneous Product
 - (d) None
10. The author of the concept of quasi-rent is :
 - (a) Adam Smith
 - (b) Marshall
 - (c) Ricardo
 - (d) Samuelson
11. The macro economic thinking was revolutionized by :
 - (a) David Ricardo
 - (b) J.M. Keynes
 - (c) Adam Smith
 - (d) Malthus
12. The Central problem in macro economics is:
 - (a) Income and employment
 - (b) Price and output
 - (c) Interest and Money
 - (d) None

13. Currency with the public is known as :
 (a) M_1 (b) M_2 (c) M_3 (d) M_4
14. In ZBB every year is considered as a :
 (a) Base year (b) Financial year
 (c) New year (d) Academic year

**II. Fill in the blanks with suitable answers :
 $12 \times 1 = 12$**

15. Economics is a _____ Science.
16. Production possibility curve is also known as _____.
17. _____ means using up of goods and services.
18. Goods that are demanded for their social prestige come under _____ effect.
19. Modern economists divide time periods into _____ and _____.
20. "An enquiry into the nature and causes of wealth of nations" was written by _____.
21. Total cost is the sum _____.
22. Firms realize the importance of _____ under oligopoly.
23. Money wages are also known as _____ wages.
24. The magnified effect of initial investment on income is called _____ effect.
25. Deflation is a period marked by _____ prices.
26. The classification of direct and indirect taxes is based on criterion of _____ tax.

**III. Match the following :
 $12 \times 1 = 12$**

27. Polis (a) Walker
28. Opportunity Cost (b) Ragi, bajra
29. Principles of Economics (c) Planning curve

30. Giffen paradox (d) $D > S$
31. Excess demand (e) Gold and Silver
32. $a + b > 1$ (f) State
33. The long run average cost curve (g) $C + S$
34. Global market (h) Increasing returns to scale
35. Residual claimant theory (i) Bank rate
36. Y (j) Revenue and expenditure are equal
37. Quantitative credit control (k) Next alternative forgone.
38. Balanced Budget (l) Marshall

**IV. Answer each of the following questions in a word or two :
 $12 \times 1 = 12$**

39. What are the subjects that econometrics make use of?
40. Is traditional economy a subsistence economy?
41. What is the other name for the law of equi-marginal utility?
42. Give the formula for point method.
43. Who has introduced the time element?
44. What is the other name for Isoquant?
45. What is break-even point?
46. In which year the MRTP Act was passed?
47. According to Ricardo, do all lands get rent?
48. Give the formula for Multiplier
49. What is the other name for M_1 ?
50. What are the main kinds of Budget?

