M – 2018

Subject Code : **22 (NS)**

0041773

ECONOMICS

(Kannada and English Versions)

Time : 3 Hours 15 Minutes] [Total No. of questions : 41] [Max. Marks : 100

(English Version)

Instructions : *1. Write the question numbers **legibly** in the margin.*

*2. Answer for **a** question should be continuous.*

PART – A

I. Answer the following questions in **1** sentence **each** : **(10 × 1 = 10)**

1) Give the meaning of positive Economics.

2) Expand MRS.

3) Define production function.

4) Give the meaning of firm.

5) Define normal profit.

6) Which policy was proved wrong by the Great Depression?

7) What are consumption goods?

8) Define bank rate.

9) Give the formula to calculate the saving.

10) What do you mean by open economy?

PART – B

II. Answer **any ten** of the following questions in **4** sentences **each** : **(10 × 2 = 20)**

11) Mention any four features of an indifference curve.

12) Mention differences between normal goods and inferior goods.

13) If 4 units of labour produces 70 units of 'X' and 5 units of labour produces 75 units of 'X'. Calculate marginal product and average product.

14) Give the meaning of average revenue and marginal revenue.

15) What is monopoly? Give its two features.

16) Give any two differences between micro economics and macro economics.

17) Give the meaning of nominal national income and real national income.

18) Identify the distinguish between scheduled commercial banks and non-scheduled commercial banks.

19) State the relationship between multiplier and marginal propensity to consume.

20) Give the meaning of surplus budget and deficit budget.

21) Mention four instruments of fiscal policy.

22) Distinguish between balance of trade and balance of payments.

PART – C

III. Answer **any eight** of the following questions in **15** sentences **each** :

(8 × 5 = 40)

23) Discuss the three basic economic problems of an economy.

24) Write a short note on centrally planned economy.

25) Briefly explain the law of demand.

26) What is income elasticity of demand? Calculate the income elasticity of demand when income of a consumer increases from Rs. 10,000 to Rs. 12,000 and demand for rice increases from 30 kg to 40 kg.

27) Briefly explain the laws of returns to scale.

28) Classify the price elasticity of supply.

29) Discuss the features of oligopoly.

30) Explain the limitation of macro economics.

31) Discuss the primary and secondary functions of money.

32) What is investment according to Keynes? Discuss the types of investment.

33) Write a note on the revenue account of the Government budget.

34) Explain the various types of exchange rate systems.

PART – D

IV. Answer **any two** of the following questions in **40** sentences **each** :

(2 × 10 = 20)

35) Explain the law of diminishing marginal utility with a schedule and diagram.

36) Show how the invisible hand guides the producers and the consumers towards equilibrium in a perfect competitive market.

37) What is monopolistic competition? Explain the features of monopolistic competition.

38) Explain the functions of the Reserve Bank of India.

PART – E

V. Answer **any two** of the following Project and Assignment oriented questions :

(2 × 5 = 10)

39) Assume that you are at the market with limited income of Rs. 100. Form the budget set and draw the budget line.

(For Blind students only) :

"Government should provide basic health care to all citizens". This is a normative economic statement. Explain this statement.

40) Fill up the missing costs in the table given below :

Output (in units)	TFC	TVC	TC	AFC	AVC	AC
1	50	?	70	50	?	?
2	?	30	?	25	?	40
3	50	?	90	?	13.33	30
4	50	60	110	12.5	15	27.5
5	50	90	?	10	18	?

(For Blind students only) :

Write the meaning of TFC, TVC, TC, AC and MC.

41) Classify the followings into stocks and flows.

Bank deposits, salary, wealth, food grain stock, exports, imports, foreign exchange reserves, national income, net investment and capital.