2014542

M – 2020

Register Number :

Subject Code : 22 (NS)

ECONOMICS

(Kannada and English Versions)

Time : 3 Hours 15 Minutes] [Total No. of questions : 51] [Max. Marks : 100

(English Version)

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

*2. Answer for **the** questions should be continuous.*

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 economic study?

a) National income b) Consumer behaviour

c) Unemployment d) Foreign trade

2) The change in output per unit of change in the input is called

a) Marginal product b) Average product

c) Total product d) None of the above

3) When the supply curve is vertical the elasticity of supply is

a) es = 1 b) es > 1

c) es = 0 d) es = ∞

4) In 1936 British economist J.M. Keynes published his celebrated book

a) Wealth of nations

b) General theory of employment interest and money

c) Theory of interest

d) Theory of employment

5) Value of MPC lies between

a) 1 and 2 b) 0 and 1

c) 2 and 4 d) 0 and 0.5

II. Fill in the blanks. Each question carries **1** mark. **(5 × 1 = 5)**

6) In a centrally planned economy all the important decisions are made by ________.

7) It is assumed that in a perfectly competitive market an ________ is at play.

8) The net contribution made by a firm is called as its ________.

9) Non – paying users of public goods are known as ________.

10) The Bretton woods conference held in the year ________.

III. Match the following. Each question carries **1** mark. **(5 × 1 = 5)**

11)

	A		B
a)	Possibility of super normal profit	i)	Broad money
b)	Inventory	ii)	Paper Gold
c)	M_3 M_4	iii)	Y – C
d)	Savings	iv)	Attraction of new firms
e)	SDR	v)	Stock variable

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

12) What do you mean by cardinal utility analysis?

13) Give the meaning of oligopoly market.

14) Who are economic agents?

15) Expand – FRBMA.

16) Give the meaning of managed floating.

PART – B

V. Answer **any nine** of the following questions in **4** sentences **each**. Each question carries **2** marks. **(9 × 2 = 18)**

17) Write the differences between budget line and budget set.

18) State the law of demand.

19) Mention the types of returns to scale.

20) Give the meaning of opportunity cost with example.

21) Define equilibrium price and quantity.

22) How wage is determined in labour market.

23) Distinguish between stock and flow. Give examples.

24) What do you mean by externalities? Mention its types.

25) Mention the two motives of demand for money.

26) Give the meaning investment multiplier. Write its formula.

27) Give the meaning of Paradox of thrift.

28) Mention the three linkages of open economy.

29) Mention the types of Balance of Trade.

30) Why do people demand foreign exchange?

PART – C

VI. Answer **any seven** of the following questions in **12** sentences. Each questions carries **4** marks. **(7 × 4 = 28)**

31) Briefly explain production possibility frontier.

32) Write the differences between substitutes and complements.

33) Explain Isoquant with the help of the diagram.

34) Explain the determinants of a firm's supply curve.

35) Write a note on Price Ceiling.

36) Briefly explain monopolistic competitive market.

37) Explain the role of The Government (State) and Household sector in both developed and developing countries.

38) Illustrate unplanned accumulation and decumulation of inventories with examples.

39) Briefly explain the functions of RBI.

40) Briefly explain consumption function.

41) Write the chart of components of capital account.

PART – D

VII. Answer **any four** of the following questions in **20** sentences. Each question carries **6** marks. **(4 × 6 = 24)**

42) Explain the features of indifference curves with the help of diagrams.

43) The market demand curve for a commodity and the total cost for a monopoly firm producing the commodity is given by the schedules below Use the information to calculate the following.

Quantity	0	1	2	3	4	5	6	7	8
Price	52	44	36	31	26	22	19	16	13

Quantity	0	1	2	3	4	5	6	7	8
Total cost	10	60	90	100	102	105	109	115	125

(a) The MR and MC schedules

(b) The quantities for which the MR and MC are equal

(c) The equilibrium quantity of output and the equilibrium price of the commodity

(d) The total revenue, total cost, and total profit in equilibrium

44) Explain the market supply curves with the help of diagrams.

45) Explain the macro economic identities.

46) Write the story of Goldsmith Lala on the process of deposit and loan (credit) creation by commercial banks.

47) Explain the classification of expenditure.

48) Write a short note on the gold standard.

PART – E

VIII. Answer **any two** of the following Project and Assignment oriented questions. Each question carries **5** marks. **($2 \times 5 = 10$)**

49) A consumer wants to consume two goods. The price of Banana is Rs.5, and the price of Mango is Rs.10. The consumer's income is Rs.40.

a) How much Bananas can she consume if she spends her entire income on that good?

b) How much Mangoes can she consume if she spends her entire income on that good?

c) Is the slope of the 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 one more Banana, you have to give up Mangoes. Is it true?

50) Find the missing products in the following table.

Factor – 1	TP	MP_1	AP_1
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 Blind students only)

Explain the meaning of TP, MP, AP

51) Prepare a budget on the monthly income and expenditure of your family.