

**2 0 1 8**

**ECONOMICS**

*Full Marks : 100*

*Time : 3 hours*

*The figures in the margin indicate full marks for the questions*

*General Instructions :*

- (i) Write all the answers in the Answer Script.
- (ii) Attempt Part—A (Objective Questions) serially.
- (iii) Attempt all parts of a question together at one place.

( PART : A—OBJECTIVE )

( Marks : 40 )

SECTION—I

( Marks : 20 )

**A.** Choose and write the correct answer of the following  
from the given alternatives : 1×10=10

1. In a simple two-sector economy, there is the household sector and the
  - (a) government sector
  - (b) external sector
  - (c) business sector
  - (d) banking sector

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2. When the percentage change in demand is less than the percentage change in price, demand is said to be
  - (a) less elastic
  - (b) more elastic
  - (c) perfectly elastic
  - (d) perfectly inelastic
  
3. The total receipts that a firm receives from the sale of its products is
  - (a) marginal revenue
  - (b) total revenue
  - (c) average revenue
  - (d) None of the above
  
4. Different brands of soaps, shampoos, toothpastes, etc., are examples of
  - (a) perfect competition
  - (b) monopoly
  - (c) oligopoly
  - (d) monopolistic competition

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5. Rent according to Ricardo is
- (a) a differential surplus
  - (b) an alternative surplus
  - (c) an economic surplus
  - (d) None of the above
6. The average income of the people of a country in a particular year is
- (a) personal income
  - (b) disposable personal income
  - (c) per capita income
  - (d) None of the above

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7. Public finance studies the financial operations of the

(a) public sector

(b) private sector

(c) joint sector

(d) None of the above

8. Balance of trade is

(a) same with the balance of payments

(b) totally different from the balance of payments

(c) a part of the balance of payments

(d) None of the above

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9. Land Development Banks are also known as

- (a) Land Mortgage Banks
- (b) Government Banks
- (c) Primary Land Development Banks
- (d) Central Development Banks

10. The objectives of economic planning are classified as

- (a) political objectives
- (b) economic objectives
- (c) social and ethical objectives
- (d) All of the above

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**B.** Fill in the blanks with appropriate word(s) : 1×10=10

1. The cost of sacrificing the next best alternative foregone is called \_\_\_\_\_ cost.
2. Demand for necessities is \_\_\_\_\_.
3. A firm in equilibrium is said to earn normal profit when average cost is \_\_\_\_\_ to average revenue.
4. Under perfect competition, the AR curve \_\_\_\_\_ with the MR curve.
5. \_\_\_\_\_ wage is that wage which is expressed in terms of money.
6. Borrowing by the State is known as public \_\_\_\_\_.
7. Infrastructure is also known as social \_\_\_\_\_ capital in development economics.

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8. Indian agriculture still remains a gamble in the \_\_\_\_\_.
9. The Industrial Policy Resolutions, 1956 classified industries into \_\_\_\_\_ categories.
10. Those imports that help in expanding the productive capacity of the economy are called \_\_\_\_\_ imports.

SECTION—II

( Marks : 20 )

**C.** Answer any *ten* of the following in 2 or 3 sentences each : 2×10=20

1. Define microeconomics.
2. State the law of diminishing marginal utility.
3. Give two exceptions to the law of demand.
4. What is a monopoly market?
5. Define net interest.

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6. Give two examples of direct tax.
7. What is public expenditure?
8. What is a budget?
9. Give two points of differences between internal trade and international trade.
10. Give two examples of economic infrastructure.
11. Give two causes of low agricultural productivity in India.
12. Mention two problems that are being faced by cottage and small-scale industries.
13. Name two import items of India.
14. What do you mean by economic planning?



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( PART : B—DESCRIPTIVE )

( Marks : 60 )

Answer **ten** questions, taking **four** from Section—I and **three** each from Section—II and Section—III

SECTION—I

1. Explain the three central problems of an economy. 6
2. What are the factors affecting elasticity of demand? 6
3. What is elasticity of supply? Measure elasticity of supply with the help of percentage method. 1+5=6
4. Explain the determination of price under perfect competition. 6
5. What are the factors determining real wages? 6
6. Explain the uncertainty-bearing theory of profit. 6

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SECTION—II

- 7.** Point out the differences between micro- and macro-economics. 6
- 8.** Explain the concepts of the following : 2+2+2=6
- (a) Net National Product at market price ( $NNP_{mp}$ )
- (b) Net Domestic Product at factor cost ( $NDP_{fc}$ )
- (c) Disposable Personal Income (DPI)
- 9.** What are the sources of public revenue? Explain them. 6
- 10.** Distinguish between the following : 3+3=6
- (a) Plan expenditure and Non-plan expenditure
- (b) Developmental expenditure and Non-developmental expenditure
- 11.** Explain the concepts of balance of payments and balance of trade. 4+2=6

SECTION—III

- 12.** Explain the importance of Indian agriculture. 6
- 13.** What is Green Revolution? Explain the impacts of Green Revolution. 1+5=6

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- 14.** What are the main features of the Industrial Policy of 1991? 6
- 15.** Describe the role of foreign trade in economic development of an underdeveloped country. 6
- 16.** What are the main features of economic reforms in India? 6

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