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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. Microeconomics is a branch of economics that studies about
 - (a) consumer behaviour
 - (b) a business firm
 - (c) the determination of rent
 - (d) All of the above

(2)

2. The utility derived from the consumption of the last unit of a commodity is called

- (a) total utility
- (b) average utility
- (c) marginal utility
- (d) negative utility

3. All the following curves are U-shaped, except

- (a) AC curve
- (b) AVC curve
- (c) MC curve
- (d) AFC curve

4. Perfect knowledge of market conditions is a feature of

- (a) monopolistic competition
- (b) perfect competition
- (c) oligopoly
- (d) monopoly

(3)

5. According to Prof. Knight, profit arises due to

(a) unforeseen risk

(b) innovation

(c) foreseeable risk

(d) None of the above

6. Which of the following is not correct?

(a) $\text{GNP} - \text{Depreciation} = \text{NNP}$

(b) $\text{GNP} + \text{Net factor income from abroad} = \text{GDP}$

(c) $\text{Personal income} - \text{Personal taxes}$
 $= \text{Disposable personal income}$

(d) $\text{NNP} - \text{Depreciation} = \text{GNP}$

(4)

7. The difference between the value of import of goods and export of goods is called

(a) current account

(b) balance of payments

(c) capital account

(d) balance of trade

8. Agriculture comes under the

(a) secondary sector

(b) primary sector

(c) tertiary sector

(d) public sector

(5)

9. Which of the following is a major import item of India?

(a) Capital goods

(b) Crude oil and petroleum products

(c) Fertilizers

(d) Food grains

10. Which of the following is the period of the 12th Five-Year Plan?

(a) 2012–2017

(b) 2002–2007

(c) 1997–2002

(d) 2007–2012

(6)

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

1. In a two-sector economy, there is the household sector and the _____ sector.
2. The responsiveness of supply to a change in price is called _____ of supply.
3. Under monopoly, a firm's marginal revenue curve lies _____ the average revenue curve.
4. According to David Ricardo, rent is a _____ surplus.
5. National income is a _____ of goods and services, which becomes available to a nation in a given period, normally a year.
6. A tax whose impact and incidence falls on the same person is called _____ tax.
7. A tax is a compulsory contribution imposed by a _____ on the citizens of a country.
8. The share of agriculture in India's national income is _____.

(7)

9. Cottage and small-scale industries are _____ intensive industries.
10. _____ goods are important non-traditional export items of India.

SECTION—II

(Marks : 20)

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

1. State the three basic problems of an economy.
2. Complete the following table :

<i>Number of Apples</i>	<i>Total Utility</i>	<i>Marginal Utility</i>
1	10	_____
2	18	_____
3	24	_____
4	28	_____
5	28	_____
6	25	_____

3. Mention two factors affecting supply of a commodity.

(8)

4. Mention the conditions of the equilibrium of a firm.
5. Give the economic meaning of the word 'market'.
6. What is real wage?
7. What is gross domestic product?
8. Mention two sources of public revenue.
9. Give two distinctions between public finance and private finance.
10. Explain two reasons for international trade.
11. What are the components of the Green Revolution?
12. Why is Industrial Policy, 1956 considered superior to the Industrial Policy, 1948?
13. Give two measures to increase agricultural production in India.
14. Name three key words associated with economic reforms.

(9)

(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 with the help of a diagram the law of diminishing marginal utility. 6
2. What is elasticity of demand? Measure elasticity of demand with the help of geometric method. 1+5=6
3. Distinguish between fixed cost and variable cost. 6
4. How is the equilibrium price and output determined under conditions of monopoly? 6
5. Define interest. Distinguish between gross interest and net interest. 1+5=6
6. Explain Ricardian theory of rent under extensive cultivation. 6

(10)

SECTION—II

7. Explain the circular flow of income in a two-sector model with the help of a diagram. 5+1=6
8. Define public debt. Discuss the need for public debt. 1+5=6
9. Distinguish between direct and indirect taxes. What are the merits of indirect taxes? 2+4=6
10. Give an account of the increase in public expenditure in recent times. 6
11. Distinguish between domestic trade and international trade. 6

SECTION—III

12. Define infrastructure. Explain the types of infrastructure. 2+4=6
13. Discuss the need and types of agricultural finance. 3+3=6

(11)

- 14.** What are the problems faced by small-scale and cottage industries? Give measures to tackle these problems. 3+3=6
- 15.** Discuss the composition of India's foreign trade. 6
- 16.** Examine the main features of economic reforms introduced in India in 1991. 6
