

**R.A. PODAR COLLEGE OF COMMERCE AND ECONOMICS**  
**MATUNGA, MUMBAI – 400019**

**Marks: 80**  
**TIME: 3 1/2 Hours**

**Online Preliminary Examination**  
**Economics**

**S.Y.J.C.**  
**12-01-2022**

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**NOTE :** (1) All questions are compulsory.  
(2) Draw neat tables/diagrams wherever necessary.  
(3) Figures to the right indicate full marks.  
(4) Write answer to all main questions on new pages.

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**Q1 A. Choose the correct option: (05)**

**1) Classification of Commercial banks in India-**

- a) Public sector banks
- b) Private sector banks
- c) Foreign banks
- d) Central bank

**Options: 1) Only a    2) a, b, c    3) b, c, d    4) a, c, d**

**2) Exceptions to the law of diminishing marginal utility.**

- a) Cardinal measurement
- b) Hobbies
- c) Miser
- d) Money

**Options: 1) Only a    2) a, b, c    3) b, c, d    4) a, c, d**

**3) Classification of markets on the basis of time**

- a) Local market, National market, International market.
- b) Very short period, short period, long period, very long period.
- c) Monopoly, Perfect competition, Oligopoly.
- d) Local market, National market, Short period market.

**Options : 1) only b    2) only c    3) only a    4) a and d**

**4) Statements related to macro economics.**

- a) It is the study of aggregates
- b) It is based on certain assumptions
- c) It takes into account interdependence between aggregate economic variables
- d) It is a policy oriented science

**Options: 1) a, b, c, d    2) a, b, c    3) b, c, d    4) a, c, d**

**5) Structure of organized sector of money market**

- a) Reserve Bank of India
- b) Commercial banks
- c) Co-operative banks
- d) Indigenous bankers

**Options: 1) a, b, d    2) a, b, c    3) b, c, d    4) a, c, d**

**Q1 B. Give economic term for the following statements. (05)**

- 1) Kavita consumed an additional unit of bread to satisfy her hunger.
- 2) The total quantity available for sale with seller at a particular point of time.
- 3) An important instrument of financial administration through which all the financial affairs of the state are regulated.
- 4) An engine of growth of an economy.
- 5) Macroeconomic policy which deals with money supply in the economy.

**Q1 C. Complete the correlation : (05)**

- 1) Income tax: Direct tax :: GST :
- 2) Woollen clothes : place utility : : Toys made of clay:
- 3) Money market : Short term fund : : : Long term fund
- 4) Output method : Product method : : Income method :
- 5)  : Base year price ::  $P_1$  : Current year price.

**Q1.D. Find the Odd one out : (05)**

- 1) **Types of Demand** - Individual Demand, Direct Demand, Competitive Demand, Complementary Demand
- 2) **National Income** : rent, profit, old age pension, wages
- 3) **Subject matter of Macro economics** : Economic growth, National Income, Price level, Personal income
- 4) **Types of Index Numbers** - Price Index, Quantity Index, Simple Index, Value Index
- 5) **Organized Money Market** : Money lenders, Indigenous bankers, Development Financial Institutions (DFIs), Co-operative bank.

**Q2.A. Identify and explain the concept from given illustration: (any three) (06)**

- 1) Dinu kept 1000 kg out of 5000 kg of rice produced in his farm for the family.
- 2) Degree of responsiveness of a change of quantity demanded of a good to a change in its price.
- 3) The sales proceeds of Rajesh Textiles increased from Rs. 5000/- to Rs. 5050/- by selling 1 more meter of cloth.
- 4) Roshan deposited Rs. 2000/- monthly, in a bank account for 5 years.
- 5) With the rise in Price by 15%, the demand contracted by 25%.

**Q2. B. Distinguish between (any three) (06)**

- 1) Time Utility and Place Utility
- 2) Contraction in supply and Decrease in supply
- 3) Internal trade and International trade
- 4) Monetary Policy and Fiscal Policy
- 5) Relatively elastic demand and Relatively inelastic demand

**Q3. Answer the following (Any three)**

**(12)**

- 1) Explain the sources of non-tax revenue.
- 2) Explain the functions of Central Banks.
- 3) Explain the features of micro economics.
- 4) Explain the types of Index numbers.
- 5) Explain the relationship between Total Utility and Marginal Utility.

**Q4. State with reasons whether you Agree or Disagree with the following statements (Any three)**

**(12)**

- 1) There is no difference between micro and macro economics.
- 2) Selling cost is the only feature of monopolistic competition.
- 3) The scope of macro economics is wide.
- 4) Price elasticity can be measured by Ratio method.
- 5) A deficit budget may prove useful during the period of Inflation.

**Q5. Study the following table/figure/passage and answer the questions given below it. (Any Two) :**

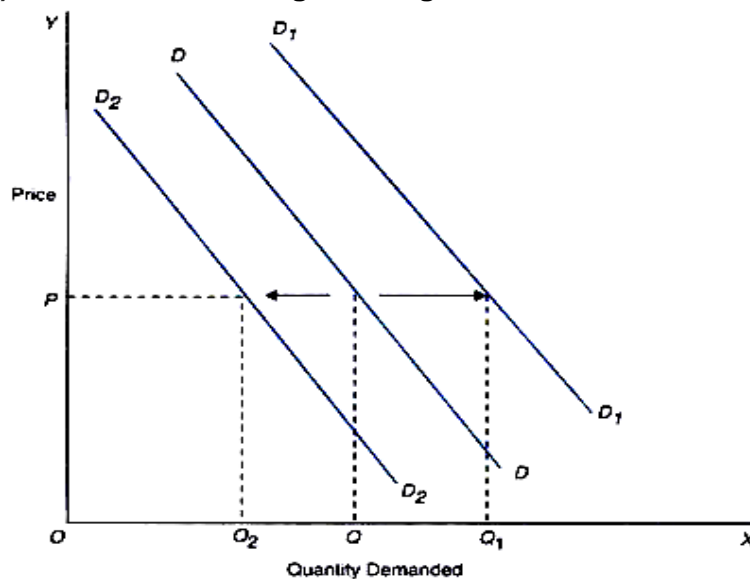
**(08)**

**I) Observe the given table and answer the questions.**

Price (Rs.)	Quantity demanded(Kg)	Quantity Supplied (Kg)
8	120	80
10	---	90
12	100	---
14	---	110
16	80	---

1. Complete the table. [2]
2. Derive the equilibrium price from the above schedule with the help of suitable diagram. [2]

**II) On the basis of the given diagram answer the following questions.**



- (a) Shift in demand curve from DD to D1D1 indicates\_\_\_\_\_ [1]
- (b) Shift in demand curve from DD to D2D2 indicates\_\_\_\_\_ [1]
- (c) Mention any two factors which leads to shift in Demand Curve. [2]

**III) Read the given passage and answer the questions below.**

1) The usual goals of both fiscal and monetary policy are to achieve or maintain a high rate of economic growth, and to stabilize prices, employment and wages. In taxes and expenditures, fiscal policy has for its field of action matters that are within government's immediate control. The consequences of such actions are generally predictable: a decrease in personal taxation, for example, will lead to an increase in consumption, which will in turn have a stimulating effect on the economy. Similarly, a reduction in the tax burden on the corporate sector will stimulate investment. Steps taken to increase government spending by public works have a similar expansionary effect. Conversely, a reduction in government expenditure or an increase in tax revenues, without compensatory action, has the effect of contracting the economy.

- 1) What is Fiscal policy of Government? [1]
- 2) How can Government boost the economy through Fiscal policy? [1]
- 3) In which situation government may use contractionary fiscal policy? [1]
- 4) What is impact of decrease in personal tax on consumption? [1]

**Q6. Answer in detail (Any two) (16)**

- 1) Explain the Law of Demand with exceptions.
- 2) Explain the Income and expenditure method of measuring National Income with precautions.
- 3) Explain with suitable schedule and diagram the Law of DMU. What are the assumptions to the law?

**\*\*\* ALL THE BEST \*\*\***