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JUNIOR COLLEGE

SYJC (2021-22) PRELIMINARY EXAMINATION January

2022 SUBJECT: ECONOMICS

Max Marks: 80

Duration:3 hrs

- Notes:** 1) All questions are compulsory.
2) Draw neat tables/ diagram wherever necessary.
3) Figures to the right indicate full marks.
4) Write answers to all main questions on new page.

Q.1. (A). Choose the correct options:- (5m)

1. 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

2. Practical difficulties in the measurement of national income

- a) Illegal income
- b) Problem of double counting
- c) Inadequate and unreliable data
- d) Valuation of inventories

Options: 1) a, c

- 2) a, b, c
- 3) b, c, d
- 4) a, c, d

3. 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

4 Statements that are incorrect in relation to perfectly inelastic demand

- a) Percentage change in price has no effect on quantity demanded
- b) Co-efficient of elasticity is equal to 1 ($ed=1$)
- c) Demand curve is a horizontal line parallel to X axis
- d) It is a type of price elasticity of demand

Options: 1) a, b, c,

2) a, b, c

3) b, c

4) a, b

5. Homogeneous product is a feature of this market.

- a) Monopoly
- b) Monoplistic competition.
- c) Perfect competition.
- d) Oligopoly.

Options: 1) c, d

2) a, b, c

3) a, c, d

4) only c

[B] Complete the following sentences: (5m)

1. Buying and selling of goods and services within the boundaries of nation are referred to as _____

- a) Foreign trade
- b) Internal trade
- c) Export trade
- d) Entrepot trade

2. Demand for labour is _____ demand.

- a. Direct
- b. indirect
- c. autonomous
- d. joint

3. _____ refers to cost of production per unit.

- a. Marginal cost
- b. Average cost
- c. Total cost
- d. fixed cost

4. Index numbers are _____.

- a. Mode
- b. Median
- c. Specialized average
- d. mean

5. Individual investors have lost confidence in the capital market due to _____.

- a. lack of financial instruments
- b. high transaction costs
- c. Low returns
- d. financial scams

[C] Find the odd one out: (5m)

- 1. Concepts of National Income :-GDP, NNP, LIC, GNP.
- 2. Micro Economics: -Lumping, slicing, wages, individual economic unit
- 3. Selling cost:- Free gifts, Advertisement, Hoardings, Window display, Patents
- 4. Types of Bank Accounts:- Savings a/c, D-Mat a/c, Recurring a/c, Current a/c.
- 5. Financial Assets:- Bond, Land, Government Securities, Derivatives

(D) Complete the Correlation. (5m)

- 1. General equilibrium: macro economics :: _____ : micro economics
- 2. Toys made of clay: ----- woollen clothes : place utility.
- 3. ----- : Base year price :: P_1 : Current year price.

- Primary market : New issues launched to raise capital :: -----Old issues through - stock market.
- Demand curve: -----:: Supply curve : upward

Q.2. [A] Identify and Explain the concept: (Any 3)

[6]

- Vrinda receives monthly pension of rs 5000/- from the state government.
- Salma purchased sweater for her father in winter season.
- Tina deposited a lumpsum amount of rs 50,000 in the bank for a period of one year.
- Japan sells smart phones to Myanmar.
- Electricity can be put to several uses such as for light, fan, computer, etc.

[B] Distinguish between: (Any 3)

[6m]

- Micro – economics and Macro – economics
- Expansion in supply and Contraction in supply.
- Total Utility and Marginal Utility
- Demand curve and Supply curve
- Money market and Capital market

Q.3. Answer the following questions: (Any 3)

[12m]

- Explain the features of Micro – economics.
- What is Monopolistic Competition?? Explain its features.
- Calculate Paasche’s Index number.

Commodity	2015		2020	
	Price	Quantity	Price	Quantity
A	40	10	50	77
B	20	5	30	8
C	30	6	40	10
D	10	9	20	10

- Explain the types of Demand?
- Explain the primary functions of commercial banks?

Q.4. State whether you agree or disagree with reasons: (Any 3)

[12m]

- There is no difference between stock and supply.
- There are no exceptions of law of Diminishing Marginal Utility.
- In order to avoid double counting value added method is used.
- Tax is a major source of revenue to the government.
- Obligatory function is the only function of the government.

Q.5. Study the following table/figure/passage and answer the following questions: (Any 2)

[8]

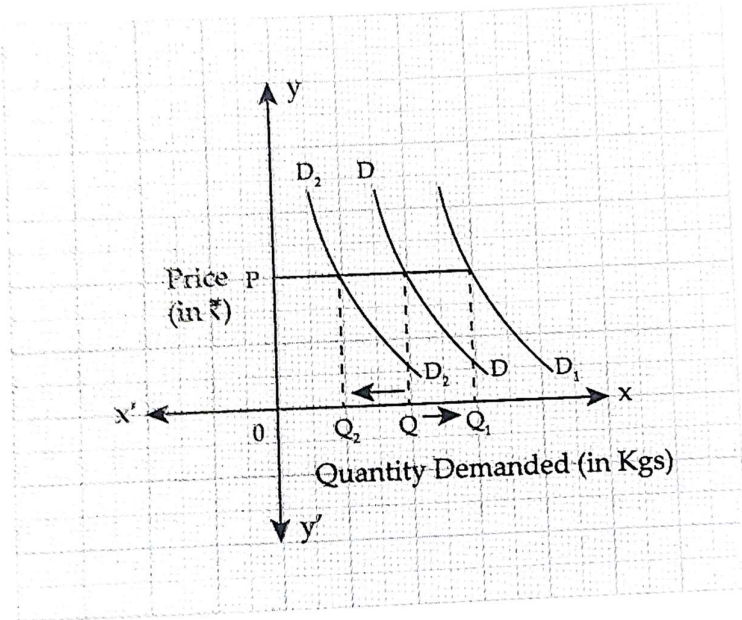
- Observe the given table and answer the questions:

Utility of Commodity 'x'	Total utility (TU)	Marginal utility (MU)
1	6	6
2	11	5
3	15	4

4	15	0
5	14	- 1

- a. Draw Total utility and Marginal utility Curve.
- b. (i) When total utility is maximum marginal utility is _____.
(ii) When total utility falls, marginal utility becomes _____.

2. Observe the given diagram and answer the following questions:



- a. Rightward shift in demand curve means _____.
- b. Leftward shift in demand curve means _____.
- c. Price remains _____.
- d. Increase and decrease in demand in the diagram comes under _____

3. Observe the table and answer the following questions:

Direction of India's Export

Sr. no.	Countries / Organisations	Years	
		1990 - 91 (%)	2016 - 17 (%)
1	OECD	56.4	37.9
2	OPEC	5.6	16.4
3	Eastern Europe	17.9	1
4	Developing Nations	17.1	43.5
5	Others	3	1.2

- a. (i) Which organization has the largest share in the direction of India's export in 2016 – 17?
(ii) Which organization's share has decreased India's export from 1990 – 91 and 2016 – 17?
- b. State your opinion on India's Export in 1990 – 91?

Q.6. Answer the following: (Any 2)

[16m]

1. Explain the Law of demand with its exceptions?
2. Explain the theoretical difficulties in the measurement of national income
3. Explain types of Price Elasticity of demand?

END