Q. 1. A) Choose the correct option :   **(5)**
1) Method adopted in micro economic analysis.
a) Lumping method   b)Aggregative method   c) Slicing method   d) Inclusive method
Options :   1) a, c and d   2) a, b and d   3) only c   4) only a

2) Classification of markets on the basis of place
a) Local market, National market, International market
b) Very short period market, Local market, National market.
c) Short period market, National market, International market.
d) Local market, National market, Short period market.
Options :1) a, b and c   2) b, c and d   3) only a   4) a and d

3) Obligatory functions of the Government :
a) Provision of employment   b) Maintaining internal law and order
c) Welfare measures   d) Exporting goods and services
Options : 1) c and d   2) a and b   3) only b   4) a, c and d

4) Types of foreign trade
a) Import trade b) Export trade
c) Entrepot trade d) Internal trade
Options :   1) a and b   2) a, b and c
              3) a, b, c and d   4) None of these

5) Statements that are incorrect in relation to index numbers.
a) Index number is a geographical tool.
b) Index numbers measure changes in the air pressure.
c) Index numbers measure relative changes in an economic variable.
d) Index numbers are specialized averages.
Options :1) c and d 2) a and b 3) b and c 4) a and d

B) Complete the correlation :   **(5)**
1) Macro economic theory : Income and employment : : Micro economics :_____
2) Pen and ink :_____ :: Tea and Coffee: Substitutes.
3) Expansion of supply : Price rises :: Contraction of supply : _____
4) Price taker :_____ :: Price maker :: Monopoly.
5) Laaspeyre's index :-------------------- :: Paasche's index : Current year quantities

C) Complete the following statements by choosing the correct alternatives.   **(5)**
1) In the law of diminishing marginal utility, Alfred Marshall assumes that marginal utility of money……….
a) increases   b) remains constant   c) decreases   d) rises and then falls

2) When less units are demanded at high price it shows ....
a) increase in demand   b) expansion of demand
c) decrease in demand   d) contraction in demand

3) Ed = 0 in case of ....
a) luxuries   b) normal goods   c) necessities   d) comforts

4) NDP is obtained by ....
a) deducting depreciation from GNP   b) deducting depreciation from GDP
c) including depreciation in GDP   d) including depreciation in GNP

5) Money market faces shortage of funds due to ....
a) inadequate savings.
b) growing demand for cash.
c) presence of unorganized sector.
d) financial mismanagement.

D) Give economic terms : (5)
1) A commodity which can be put to several uses ………
2) Degree of responsiveness of a change in quantity demanded of one commodity due to change in the . . price of another commodity.
3) The point where demand and supply curve intersect.
4) A desire which is backed by willingness to purchase and ability to pay ………
5) Capacity of a commodity to satisfy human wants.

Q. 2 A) Identify and explain the concepts from the given illustrations : (Any 3) (6)
1) Gauri collected the information about the income of a particular firm.
2) Nilesh purchased ornaments for his sister.
3) Viru kept aside 100 kgs. out of 500 kgs. Of wheat produced in his farm for his family.
4) Tina deposited a lumpsum amount of ` 50,000 in the bank for a period of one year.
5) England imported cotton from India, made readymade garments from it and sold them to Malaysia.

B) Distinguish between the following :   (Any Three) (6)
1) Internal trade and International trade.
2) Direct Tax and Indirect tax.
3) Price Index and Quantity Index.
4) Total utility and Marginal utility
5) Internal debt and external debt

Q. 3 Answer the following :   (Any three) (12)
1) What are the features of monopolistic competition ?.
2) What are the types of demand?
3) What is the role of foreign trade ?
4) What are the functions of commercial banks ?
5) State law of supply.

Q. 4- State with reasons whether you agree or disagree with the following statements . **(Any three)** **(12)**
1) Micro economics is different from macro economics.
2) Index numbers measure changes in the price level only.
3) There are only theoretical difficulties in the measurement of national income.
4) Price is the only determinant of demand.
5) Fines and penalties are a major source of revenue for the Government.

Q. 5 Study the following table , figure, passage and answer the questions. (Any two) (8)

I) Observe the table and answer the questions :

Price of banana (per dozon) in (Rs)	Demand (in dozen)	Supply (in dozen)	Relation between DD and SS
10	500	100	DD > SS
20	400		DD > SS
30		300	DD = SS
40	200		DD < SS
50		500	DD < SS

1) Fill in the blanks in the above schedule.
2) Derive the equilibrium price from the above schedule with the help of a suitable diagram.

II) Calculate Value Index number from the given data :

Commodity	Base Year		Current Year	
	Price	**Quantity**	**Price**	**Quantity**
A	40	15	70	20
B	10	12	60	22
C	50	10	90	18
D	20	14	100	16
E	30	13	40	15

III) Read the given passage and answer the questions :
     The Finance Minister of the Central Government presents the Union Budget before the Parliament during the month of February every year. The budget, also referred to as the annual financial statement reflects the estimated receipts and expenditure of the government for a particular financial year that begins on the 1st of April and ends on 31st March. Changes in the tax structure are suggested in the budget. Besides this, provisions are also made for allocating expenditure on defence, education, research and development etc. The date for presenting the budget has been shifted to the 1st of February every year. This enables generation of funds well in advance prior to the commencement of the financial year.

1)Where is the Union Budget usually presented?
2What all aspects are considered while preparing the budget?
3)Why is the date for presenting the budget shifted to the 1st of February?
4)Explain the term 'budget'.

Q.6 Answer of the following questions in detail . (Any Two)   **(16)**
1) Explain the law of demand with assumptions.?
2) Explain any two methods of measuring national income.
3) Explain various reasons for the growth of public expenditure.

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