

DAY — **15**

SEAT NUMBER

2 2 2 5 1 2

2023 III 13

1500

J-314

(E)

ECONOMICS (49)

Time : 3 Hrs.

(8 Pages)

Max. Marks : 80

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

Q. 1. (A) Complete the following sentences :

(5) [20]

- (i) Micro Economics is also called as _____.
 - (a) Income theory
 - (b) Price theory
 - (c) Growth theory
 - (d) Employment theory
- (ii) Money market faces shortage of funds due to _____.
 - (a) Inadequate savings
 - (b) Growing demand for cash
 - (c) Unorganized sector
 - (d) Financial mismanagement

0 3 1 4

- (iii) Marginal utility of the commodity becomes negative when Total Utility of a commodity is ____.
- (a) rising
 - (b) constant
 - (c) falling
 - (d) zero
- (iv) Public expenditure of any government shows ____.
- (a) constant trend
 - (b) increasing trend
 - (c) decreasing trend
 - (d) fluctuating demand
- (v) The relationship between income and demand for inferior goods is ____.
- (a) direct
 - (b) inverse
 - (c) no effect
 - (d) can be direct and inverse

(B) Find the odd word out :

(5)

(i) Revenue concepts :

Total Revenue, Average Revenue, Total Cost, Marginal Revenue.

(ii) Quantitative Tools of credit control :

Bank rate, Open market operations, Foreign Exchange rate, Variable reserve ratio.

(iii) Scope of Micro Economics :

Theory of product pricing, Theory of factor pricing, Theory of Economic growth and Development, Theory of Economic welfare.

(iv) Non-tax revenue :

Fees, Penalty, Wealth tax, Special levy.

- (v) Types of Simple Index Number :
Laspeyre's Price Index Number, Price Index Number,
Quantity Index Number, Value Index Number.

(C) Give economic term : (5)

- (i) The volume of commodities and services turned out during a given period counted without duplication.
- (ii) A desire which is backed by willingness to purchase and ability to pay.
- (iii) Degree of responsiveness of a change of quantity demanded of a good to a change in its price.
- (iv) Very realistic competition in nature.
- (v) Swati purchased raincoat for her father in rainy season.

(D) Assertion and reasoning questions : (5)

- (i) Assertion (A) : In perfect competition, price is determined by the forces of demand and supply.
Reasoning (R) : The number of buyers and sellers is so large that one person can not influence prices.
Options :
 - (1) (A) is true, but (R) is false.
 - (2) (A) is false, but (R) is true.
 - (3) Both (A) and (R) are True and (R) is the correct explanation of (A).
 - (4) Both (A) and (R) are True and (R) is not the correct explanation of (A).
- (ii) Assertion (A) : A change in quantity demanded of one commodity due to a change in the price of other commodity is cross elasticity.
Reasoning (R) : Changes in consumers' income leads to a change in the quantity demanded.

Options :

- (1) (A) is true, but (R) is false.
- (2) (A) is false, but (R) is true.
- (3) Both (A) and (R) are True and (R) is the correct explanation of (A).
- (4) Both (A) and (R) are True and (R) is not the correct explanation of (A).

(iii) Assertion (A) : Production for self-consumption is not accounted for in the national income.

Reasoning (R) : The products kept for self consumption do not enter the market.

Options :

- (1) (A) is true, but (R) is false.
- (2) (A) is false, but (R) is true.
- (3) Both (A) and (R) are True and (R) is the correct explanation of (A).
- (4) Both (A) and (R) are True and (R) is not the correct explanation of (A).

(iv) Assertion (A) : Foreign exchange management and control is undertaken by commercial banks.

Reasoning (R) : RBI has to maintain the official rate of exchange of rupee and ensure its stability.

Options :

- (1) (A) is true, but (R) is false.
- (2) (A) is false, but (R) is true.
- (3) Both (A) and (R) are True and (R) is the correct explanation of (A).
- (4) Both (A) and (R) are True and (R) is not the correct explanation of (A).

- (v) Assertion (A) : Supply is a relative term.
Reasoning (R) : Supply is always expressed in relation to price, time and quantity.

Options :

- (1) (A) is true, but (R) is false.
- (2) (A) is false, but (R) is true.
- (3) Both (A) and (R) are True and (R) is the correct explanation of (A).
- (4) Both (A) and (R) are True and (R) is not the correct explanation of (A).

Q. 2. (A) Identify and explain the following concepts (Any THREE) : (6) [12]

- (i) A table seller sold the table for ₹ 2,000 per piece. In this way he sold 15 tables and earned ₹ 30,000.
- (ii) England imported cotton from India, made readymade garments from it and sold them to Malaysia.
- (iii) Ashok paid the tax on his income and property.
- (iv) Raju's father invests his money in a market for long term funds both equity and debt raised within and outside the country.
- (v) A poor person wants to buy a car.

(B) Distinguish between (Any THREE) : (6)

- (i) Unitary elastic demand and Relatively elastic demand
- (ii) Output method of measuring national income and Income method of measuring national income
- (iii) Demand deposit and Time deposit
- (iv) Simple index number and Weighted index number.
- (v) Stock and Supply

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

[12]

- (i) Explain any four points of importance of Micro economics.
- (ii) Explain the Ratio or percentage method of measuring price elasticity of demand.
- (iii) Explain any four features of national income.
- (iv) Explain any four problems faced by the money market in India.
- (v) Explain any four exceptions of the law of Diminishing marginal utility.

Q. 4. State with reasons whether you agree or disagree with the following statements (Any THREE) :

[12]

- (i) There are no exceptions to the law of supply.
- (ii) Balance of Trade and Balance of Payment are two different concepts.
- (iii) Index numbers are very significant / important in economics.
- (iv) There are no theoretical difficulties in the measurement of National Income.
- (v) Macro economics is different from Micro economics.

Q. 5. Study the following table, figure, passage and answer the questions given below it (Any TWO) :

[8]

- (i) Observe the following table and answer the questions given below it :

(4)

Unit of commodity	Total Utility (TU) units	Marginal Utility (MU) units
1	6	<input type="text"/>
2	<input type="text"/>	5
3	15	4
4	15	<input type="text"/>
5	<input type="text"/>	-1

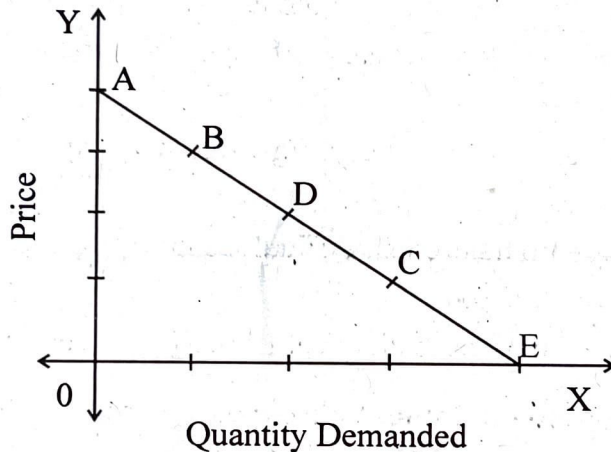
Questions :

(1) Complete the above table. (2)

(2) (a) When total utility is Maximum, the marginal utility is - (1)

(b) When total utility falls, the marginal utility becomes - (1)

(ii) In the following diagram AE is the linear demand curve of a commodity. On the basis of the given diagram state whether the following statements are True or False : (4)



(1) Demand at point 'C' is relatively elastic demand. (1)

(2) Demand at point 'B' is unitary elastic demand. (1)

(3) Demand at point 'D' is perfectly inelastic demand. (1)

(4) Demand at point 'A' is perfectly elastic demand. (1)

(iii) Read the given passage and answer the questions : (4)

Index Number is a technique of measuring changes in a variable or group of related variables with reference to time, geographical location and other characteristics.

Index Number is very useful for economists, farmers, traders, government, educationalists and trade union leaders for planning and implementing the plans according to their sector.

The scope of index number is not limited to only one subject but it extends to many subjects such as Economics, Educational science, Psychology, History, Sociology, Geography etc.

While framing index number its objective must be determined. To attain the objective the information is collected in various ways and this information is used for comparing two different time periods. For this purpose, the base year's index is assumed as 100 and accordingly the value of the current year is calculated.

Laspeyre, Paasche and Fisher have suggested different methods for constructing index numbers.

Questions :

- (1) Explain the meaning of Index Number. (1)
- (2) To whom the Index Number is useful? (1)
- (3) Express your opinion about the given passage. (2)

Q. 6. Answer the following questions in detail (Any TWO) : [16]

- (i) State and explain the law of demand with exceptions.
- (ii) Explain the meaning of Monopoly with its features.
- (iii) Explain various reasons for the growth of public expenditure.

