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2020	III	05	1100	J-398	(E)
ECONOMICS (49)					
Time : 3 Hrs.		(4 Pages)		Max. Marks : 80	

- Note :*
- (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) Fill in the blanks using appropriate alternatives given in the brackets : (5)

- (1) Micro economics is a _____ equilibrium approach.
(partial / general / total / multi-variable)
- (2) Income elasticity of demand for inferior goods is _____.
(positive / negative / zero / greater than one)
- (3) Investment made by the government is _____ investment.
(induced / autonomous / gross / unplanned)
- (4) _____ is a primary function of commercial banks.
(Purchasing and selling securities / Accepting deposits / Safe deposit vault / Letter of credit)

- (5) When the government's revenue exceeds government's expenditure, it is known as _____ budget.
(surplus / balanced / deficit / unbalanced)

(B) Match the words from the following groups 'A' and 'B' correctly : (5)

- | Group 'A' | Group 'B' |
|------------------------------|-----------------------------|
| (a) Pen and ink | (1) Factor cost method |
| (b) Perfectly elastic supply | (2) Profit |
| (c) Reward of entrepreneur | (3) Joint demand |
| (d) Income method | (4) Interest |
| (e) Credit control | (5) Horizontal supply curve |
| | (6) Commercial bank |
| | (7) Vertical supply curve |
| | (8) Central bank |

(C) State whether the following statements are True or False : (6)

- (1) Demand for luxurious goods is elastic.
- (2) Supply is indirectly related to price.
- (3) Under perfect competition products are not homogeneous.
- (4) Estimation of national income is possible with the help of money. <http://www.maharashtrastudy.com>
- (5) Commercial banks are the backbone of modern economy.
- (6) Central bank does not act as a lender of last resort for the commercial banks.

Q. 2. (A) Define 'or' explain the following concepts (Any THREE) : (6) [12]

- (1) Micro economics
- (2) Marginal cost
- (3) Natural monopoly
- (4) Entrepreneur
- (5) General equilibrium
- (6) Clearing house

(B) Give reasons 'or' explain the following statements (Any THREE) : (6)

- (1) Micro economics is also known as price theory.
- (2) Utility is ethically neutral.
- (3) Demand for necessary goods is inelastic.
- (4) Old age pension is transfer income.
- (5) Saving is the function of income.
- (6) As a banker to the government the central bank transfers government funds.

Q. 3. (A) Distinguish between the following terms (Any THREE) : (6) [12]

- (1) Individual demand and Market demand.
- (2) Extension in supply and Contraction in supply.
- (3) Slicing method and Lumping method.
- (4) Personal income and Personal disposable income.
- (5) Full bodied coins and Token coins.
- (6) Direct tax and Indirect tax.

(B) Write short notes (Any TWO) : (6)

- (1) Importance of micro economics.
- (2) Geometric method of measuring price elasticity of demand.
- (3) Features of pure competition.
- (4) Qualities of an entrepreneur.

Q. 4. Answer the following questions (Any THREE) : [12]

- (1) Explain the 'law of diminishing marginal utility'.
- (2) Explain the features of monopolistic competition.
- (3) Explain the scope and subject matter of macro economics.
- (4) Explain the subjective factors influencing consumption function.
- (5) Explain the various types of loans.
- (6) Explain capital receipts and capital expenditure as a part of capital budget.

Q. 5. State with reasons whether you 'agree' or 'disagree' with the following statements (Any THREE) : [12]

- (1) There are many features of utility.
- (2) Many factors influence the demand for a commodity.
- (3) There are no exceptions to the law of supply.
- (4) There are many secondary functions of money.
- (5) Commercial banks perform many general utility services.
- (6) Central bank does not act as bankers' bank.

Q. 6. Write explanatory answers (Any TWO) : [16]

- (1) Explain the 'law of demand' with its assumptions.
- (2) What is 'elasticity of demand'? Explain the types of elasticity of demand.
- (3) What is 'national income'? Explain the theoretical difficulties involved in estimation of national income.
- (4) What is 'aggregate supply'? Explain the factors determining aggregate supply.

