Instruction: *1. Write the question numbers legibly in the margin.*

2. Answer for a question should be continuous

PART - A

I. Choose the correct answer: 1 x 5 = 5

1. Products in perfect competition are

(a) Homogenous   (b) heterogeneous   (c) Economical   (d) None of the above

2. TC =

(a) TVC   (b) TFC   (c)TFC+TVC   (d) AC+MC

3. The demand for these goods DECREASE as income increase

(a) Inferior goods   (b) Giffen goods   (c) Normal goods   (d) None of the above

4. The products in imperfect competition are

(a) Heterogeneous   (b) Homogeneous   (c) Luxury   (d) None of the above

5. The government imposes lower limit on the price of a good or service is called

(a) price ceiling   (b) Selling price   (c) price floor   (d) None of the above

II. Fill in the blanks: 1 x 5 = 5

6. ……………………is a tax that the government imposes on imported goods.

7. MR=………………….

8. …………….. is the present Finance Minister.

9. 1 $= 72 rupees, is called ……………

10. …………is a flow variable.

III. Match the following: 1 x 5 = 5

11.

A	B
a. Market economy	a. Family of IC curves
b. IC map	b. Private ownership
c. Adam smith	c. Monetary & Fscal policy
d. RBI	d. Invisible hand
e. Macro economic policies	e. Monetary authority

IV. Answer the following questions in a sentence / word.   **1 x 5 = 05**

12. Define monopolistic competition.

13. State the law of demand.

14. Write the meaning of Autonomous investment .

15. What do you mean by quotas?

16. Expand FRBMA.

PART - B

V. Answer any nine of the following questions in four sentences each.   **2 x 9 = 18**

17. What do you mean by TP?

18. What do you mean by an normal good? Give some example.

19. What is PPF?

20. Give the meaning of break even point.

21. When is Equilibrium attained in perfect competitive market?

22. Write the features of monopoly.

23. What are the four factors of production? Mention their rewards.

24. Distinguish between stock and floor with example.

25. Give the meaning of CRR and OMO.

26. Give the meaning of paradox of thrift.

27. Give the meaning of elasticity of demand and write its formula.

28. Mention the tax revenues of the government.

29. Mention the three linkages of open economy.

30. What are the types of BOP?

PART-C

VI. Answer any seven of the following i**n fifteen sentences each.**   **4 x 7 = 28**

31. Briefly explain how the Family farm, weaver, teacher can use their resources to fulfill their needs in a simple economy.

32. Write the differences between total utility and marginal utility.

33. Write a chart on components of current account.

34. Write a short note on Recardian equivalence

35. Explain the merits and demerits of flexible and fixed exchange rate system.

36. Write a short note on profit maximization of a firm under the following conditions
    (a) P=MC   (b) MC must be none decreasing at q_0

37. What are the differences between micro economics and macroeconomics?

38. Explain the circular flow of income of an economy.

39. 'Money acts as a convenient unit of account'. Explain this sentence with the example.

40. Briefly explain consumption function.

41. Write the chart of components of capital account.

PART-D

VII. Answer any four of the following questions in 20 sentences each.   6 x 4 = 24

42. Explain the features of indifference curve with the help of a diagram.
43. Suppose the demand and supply curves of wheat are given by $q^D = 200-P$ and $q^s = 120+P$
    A) Find the equilibrium price
    B) Find the equilibrium quantity of demand and supply
    C) Find the quantity of demand and supply when P is greater than equilibrium price
    D) Find the quantity of demand and supply when P is lesser than equilibrium price

44. Explain shortrun equilibrium of the monopolist with the case of zero cost.
45. Explain the numerical example to show that all the three method of estimating GDP gives the same answer.
46. Write the story on gold smith lala on the process of deposit and loan creation by commercial banks.
47. Write a note on balance of payment.
48. Discuss the paradox of thrift.

PART - E

VIII. Answer any two of the following project oriented questions.   5 x 2 = **10**

49. A consumer wants to consume two goods. The price of banana is Rs. 5 and the price of mango is Rs 10. The consumer's is Rs 40.

   (a) How much bananas can she consumes if she spend her entire income on that good?
   (b) How much Mangoes can she consumes if she spend her entire income on that good?
   (c) Is the slope of budget line downward or upward?
   (d) Are the bundles on the budget line equal to the consumer's income or not?
   (e) If you want to have more bananas, you have to give up mangoes. Is it true?
50. Find the Missing products in the following table. TP MP A**P**

Factor	TP	AP	MP
0	0	0	0
1	10		10
2	24		12
3	40	16	13.33
4		10	
5		6	11.2
6	57	1	9.5

51. Compute the total revenue, marginal revenue and average revenue schedules in the following table when market price of each unit of goods is Rs. 10.

Quantity sold	PRICE	TR	AR	MR
0				
1				
2				
3				
4				
5				
6				

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