

2019**ECONOMICS****Full Marks : 100****Pass Marks : 30****Time : Three hours**

The figures in the margin indicate full marks for the questions.

Part A

Q. No. 1 (a - f) carries 1 mark each	1×6 = 6
Q. No. 2 - 7 carries 2 marks each	2×6 = 12
Q. No. 8 -12 carries 4 marks each	4×5 = 20
Q. No. 13 & 14 carries 6 marks each	6×2 = 12
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	Total = 50

Part B

Q. No. 15 (a - f) carries 1 mark each	1×6 = 6
Q. No. 16 - 21 carries 2 marks each	2×6 = 12
Q. No. 22 -26 carries 4 marks each	4×5 = 20
Q. No. 27 & 28 carries 6 marks each	6×2 = 12
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	Total = 50

Total (Part A & B) : 50 + 50 = 100

Contd.

PART-A/

1. (a) Define the term scarcity as used in economics. 1
- (b) What is opportunity cost? 1
- (c) If marginal utility of a commodity is higher than the price, then the consumer will buy more of the commodity. 1
(Write true or false)
- (d) What will be the effect of price change on supply of a commodity with perfectly inelastic supply? 1
- (e) How will an increase in the price of inputs shift the supply curve? 1
- (f) What is shut-down price? 1
2. Why the production possibility curve slopes downward from left to right? 2
3. Give *two* reasons of a leftward shift in the demand curve. 2
4. The price elasticity of demand of a commodity is 4 and the percentage change in price is 8. Find the percentage change in the quantity demanded. 2
5. What is fixed factor? Give *one* example. 1+1=2

6. What is meant by inelastic supply ? Draw an inelastic supply curve. 1+1=2
7. Mention *two* differences between monopoly and perfectly competitive market. 2
8. Distinguish between change in quantity demanded and change in demand. 4
9. Mention the relationship between total utility and marginal utility. 4
10. What is variable cost ? Why the average variable cost (AVC) curve becomes U shaped ? 1+3=4
11. The production function of a firm is $Q = 2L^{1/2} \cdot K^2$.
 Find the amount required of factor K if the firm wants to produce 200 units with available 16 units of factor L .
 (Q = Output, K =Capital, L = Labour) 4
12. Mention the effects of the following on the supply of a commodity. 2+2=4
- (i) Fall in the price of factors.
- (ii) Rise in the per unit tax.
- (i)
- (ii)

13. Explain the Law of Variable Proportion with diagram. 6

Or/

The total fixed cost of a firm is Rs. 200. Fill in the blanks of the following table. 6

200

Output	TC	AC	AVC	MC
1	—	—	100	—
2	460	—	—	—
3	—	250	—	—
4	—	—	—	230

14. Explain the process of Long-run Equilibrium Price determination of perfectly competitive industry with diagram. 6

Or/

Show the effects of change in demand of a commodity on equilibrium price, if 3+3=6

- (i) the supply of the commodity is perfectly elastic
(ii) the supply of the commodity is perfectly inelastic.

(i)

(ii)

PART-B/

15. (a) In what circumstances, the GDP of an economy can be equal to GNP ? 1
- (b) What is transfer payment ? 1
- (c) What is voluntary unemployment ? 1
- (d) What is Break-Even income ? 1
- (e) What is the full form of GST ? 1
- (f) What is zero primary deficit ? 1
16. Mention *two* subject matters of Macroeconomics. 2
17. Mention *any two* types of leakages found in the Circular Flow of Income. 2
18. What is investment multiplier ? Write the relationship between investment multiplier and MPC. 1+1=2

19. Mention the *two* primary functions of money. 2
20. Mention *two* differences between revenue receipts and capital receipts. 2
21. State *two* sources of supply of foreign currency. 1+1=2
22. The value of MPC of an economy is 0.4. What amount of new investment is required to generate new income of Rs. 500 crore in the economy ? 4
23. Explain *any two* fiscal measures to solve the problems of excess demand in an economy. 2+2=4
24. Mention *four* factors causing disequilibrium in Balance of Payment of a country. 4
25. Write down *four* differences between Direct Tax and Indirect Tax. 4
26. What is Budget Deficit ? What are the *three* types of Budgetary Deficit ? 1+3=4

27. Describe the Circular Flow of Income in a Three Sector Economy. 6

Or/

Explain the Expenditure Method of calculating Gross Domestic Product (GDP). 6

28. Explain the process of credit creation by commercial banks. 6

Or/

Describe the Quantitative methods adopted by the Central Bank to control credit created by commercial banks. 6

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