



**PART –A**

**I. Answer all the following questions in one sentence each** **1 x 10 =10**

1. Name the types of economies.
2. What is marginal utility?
3. Who gave the concept of real cost?
4. Write the three essentials of a market.
5. From where do you buy electricity for home? What is the characteristic of the market?
6. What do you mean by macro economics?
7. What do you mean by open market operations?
8. How is primary defect calculated?
9. What is saving?
10. What do you mean by bilateral trade?

**PART –B**

**II. Answer any ten of the following questions in four sentences each** **2 x 10 = 20**

11. Mention any 2 differences between positive & normative economics.
12. What does it mean if an IC has a bulge?
13. Why does the demand curve slope downwards?
14. What is the shape of MC & AC curves?
15. Distinguish between firm & industry.
16. Define abnormal profit.
17. Who are the pioneers in micro & macro economics?
18. Distinguish between final goods & intermediates goods with suitable example.
19. What are the difficulties of boaster system?
20. What is progressive tax?
21. State the meaning of marginal propensity to consume.
22. Distinguish between closed economy & open economy.
- 23.

**PART-C**

**III. Answer any EIGHT of the following questions in fifteen sentences each** **5 x 8 = 40**

24. Explain the nature of mixed economy.
25. What are the difference between cardinal & ordinal approaches of utility analysis?
26. Explain the law of demand with the help of a schedule & diagram.
27. Discuss various types of short-run costs.
28. Describe the features of perfect competition.
29. Draw the demand curve of monopoly firm.
30. Explain the circumstances for the emergence of macro-economics.
31. Describe circular flow of income in a simple economy
32. Briefly explain the concept of multiplier of Keynes.
33. Explain the types of investment.
34. Describe the instruments of fiscal policy
35. Explain the theories of determination of exchange rates.

**PART -D**

- IV. Answer any two of the following questions in forty sentences each** **10 x 2 = 20**
36. Show how the invisible hand guides the products & the consumers towards equilibrium in a perfect competitive market.
37. Explain diagrammatically the short-run equilibrium of monopolistic firm.
38. Explain any five concepts of national income also explain in detail the methods of calculating national income.
39. What is money? Explain the functions of money.

**PART- E**

- V Answer any two of the following questions in fifteen sentences each** **5 x 2 = 10**
40. Imagine there are only 3 consumers in a market. They are x y & z their demand for a good is given as follows calculate the market demand for the goods & draw the market demand curves.

Price	X's demand	Y's demand	Z's demand	Market Demand
2	16	20	30	
4	14	18	25	
6	12	15	21	
8	10	10	15	
10	8	7	11	
12	6	3	7	
14	4	1	5	

41. If the price of potato increases from Rs. 20 per kg. to Rs.25 per kg. the quantity offered for sale in the market increases from 100 kg to 120 kg. find the price elasticity of supply.
42. Write a note on credit creation.

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