

**Instruction:**(a) write question number legibly in the margin  
(b) answer for the question should be continuous  
(c) answer all the question in Part A

**Part A**

**I. Choose the correct answer. Each question carries 1 mark. 1x5= 5**

1. The scarce resources of an economy have  
a) Competitive usages    b) Single usages    c) Unlimited usage    d) None of the above
2. TC =  
a) TVC    b) TFC+TVC    c) TFC    d) AC+MC
3. The individuals or institution which take economic decisions are  
a) Economic variables    b) Economic agents    c) Economics    d) None of the above
4. The Banks which are a part of the money creating system of the economy are  
a) Bankers    b) RBI  
c) Commercial Banks    d) None of the above
5. Which of the following is the example of paper tax.  
a) Income tax    b) Custom tax    c) Wealth tax    d) Excise duty

**II. Fill in the blanks 1x5= 5**

(Horizontal summation, free riders, mixed economies, investment, production units)

6. In reality, all economies are .....
7. Method of adding two individual demand curves is called.....
8. .... will be called firms.
9. Non-paying users of public goods are known as .....
10. .... Is define as defined as addition to the stock of physical capital.

**III. Match the following 1x5= 5**

11.

A	B
Positive Economics	ed =1
CRS	Trade in goods and services
Balance of Payment	Non-monetary exchanges
Unitary elasticity of demand	Functioning of mechanism
Domestic service	Constant returns to scale

**IV. Answer all the following questions in a sentence each. 1x5= 5**

12. What is normative economics?
13. Give the meaning of marginal product.
14. Give the meaning of intermediate goods.
15. What is autonomous consumption?
16. Give the meaning of open economy.

**Part B**

**V. Answer any six of the following questions in four sentences each.**

**2x6= 12**

17. What is price elasticity of demand? Write its formula.
18. Give the meaning of shut down point.
19. Distinguish between excess demand and excess supply.
20. What is price floor?
21. How price is determined, when fixed number of firms exist in perfect competition.
22. Who are the macroeconomic decision makers?
23. Write the difference between real and nominal GDP.
24. Give the meaning of paradox of thrift.
25. Why the government must provide public goods?
26. What are the types of balance of trade?

**Part-C**

**VI. Answer any five of the following questions in 12 sentences each.**

**4x5= 20**

27. Write a note on production possibility frontier.
28. Write the differences between substitute and complementary goods.
29. Explain long run costs.
30. Explain the features of perfect completion.
31. Write a table to show the impact of simultaneous shifts on equilibrium.
32. Explain the examples of planned accumulation and decumulation of inventories.
33. Briefly explain the functions of RBI.
34. Give the meaning of aggregate demand function. How can it be obtained graphically?
35. Write a short note on Ricardian equivalence.

**Part -D**

**VII. Answer any three of the following questions in 20 sentences each.**

**6x3= 18**

36. Explain the features of indifference curves with the help of diagrams.
37. Explain market supply curve of a firm with the help of a diagram.
38. 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  $P >$  equilibrium price.
  - d) Find the quantity of demand and supply when  $P <$  equilibrium.
39. Explain the expenditure method of calculating national income.
40. Explain the functions of money. How does money overcome the shortcomings of a barter system?
41. Briefly explain the foreign exchange market with fixed exchange rates with the help of a diagram.

**Part- E**

**VIII. Answer any two of the following questions in 15 sentences each.**

**5x2= 10**

**42. Calculate the AP and MP with the help of following data.**

TP	0	15	35	50	40	48
L	0	1	2	3	4	5

43. Prepare a budget on monthly income and expenditure of your family.
44. Name the currencies of any five countries of the following:  
USA, UK, Germany, Japan, China, Argentina, UAE, Bangladesh, Russia.