

Smt. M. M. K College of Commerce & Economics, Bandra (W)
S.Y.J.C Preliminary Examination: 2019

Subject: Economics
Date: 09/01/2019

Time: 3 hrs
Marks: 80

Q.1.A. Fill in the blanks using proper alternatives given in the brackets: (5)

1. Microeconomics is also called as _____.
(income theory, price theory, growth theory, general theory)
2. Supply curve slopes _____ from left to right.
(vertical, horizontal, upward, downward)
3. Demand for necessities is _____.
(unitary elastic, perfectly elastic, relatively inelastic, elastic)
4. National income is a _____ concept.
(stock, flow, monthly, intermediate)
5. In case of token coins face value is _____ than their intrinsic value.
(greater, equal, less, constant)

B. Match the following: (5)

- (A)**
- a. Macroeconomics
 - b. Overdraft
 - c. Marginal utility
 - d. Labour
 - e. Autonomous consumption expenditure

- (B)**
1. Welfare oriented
 2. Rent
 3. General equilibrium analysis
 4. Utility of all units
 5. Profit oriented
 6. Wages
 7. Utility from last unit
 8. Current account

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

1. All desires are demand.
2. The seller is price maker under monopolistic competition.
3. Cheque is an optional money.
4. Government budget is a monthly financial statement.
5. The main objective of the central bank is to earn profit.
6. Unpaid services are included in national income.

Q.2.A. Define or Explain the following concepts: (Any Three) (6)

1. Income elasticity of demand
2. Macroeconomics
3. National income
4. Average revenue
5. Reverse repo rate
6. Elasticity of supply

B. Give reasons or Explain the following statements: (Any Three) (6)

1. Demand curve slopes downwards from left to right.
2. Price discrimination is possible under monopoly.
3. Labour cannot be stored.
4. Old age pension is transfer income
5. Money acts as a standard of deferred payments.
6. Central bank is lender of the last resort.

Q.3.A. Distinguish between: (Any Three) (6)

1. Monopoly and perfect competition
2. Variation in demand and Change in demand.
3. Stock and supply.
4. GNP and NNP.
5. Average propensity to consume and Marginal propensity to consume.
6. Surplus budget and Deficit budget.

B. Write short notes: (Any Two) (6)

1. Income method of measuring national income.
2. Primary functions of money.
3. Features of monopolistic competition.
4. Ratio method to measure elasticity of demand.

Q.4. Answer the following questions:(Any Three) (12)

1. Explain the determinants of aggregate demand.
2. Explain the functions of entrepreneur.
3. Explain the saving function.
4. Explain the different types of money.
5. Explain the primary functions of commercial banks.
6. Describe the quantitative measures used by the central bank to control credit.

**Q.5. State with reasons whether you agree or disagree with the following statements:
(Any Three) (12)**

1. The law of diminishing marginal utility has no importance.
2. Cost of production is the only determinant of supply.
3. There is no difference between land and capital.
4. Central bank uses different qualitative measures to control credit.
5. Commercial bank provides various general utility functions.
6. Motive of precaution is the only subjective factor affecting consumption function.

Q.6. Write explanatory answers: (Any Two) (16)

1. What is equilibrium price? How it is determined under perfect competition?
2. Explain the law of supply. What are its exceptions?
3. Describe the functions of the central bank.
4. Explain the practical and theoretical difficulties in the measurement of national income.