

C 30945

(Pages : 2)

Name.....

Reg. No.....

**FIFTH SEMESTER B.A. DEGREE (SUPPLEMENTARY) EXAMINATION  
NOVEMBER 2017**

(UG—CCSS)

EC 5D 01—BASIC PRINCIPLES OF ECONOMICS

[Common for Foreign Trade and Development Economics]

(2013 Admissions)

Time : Three Hours

Maximum : 30 Weightage

**Part A (Objective Type Questions)**

*Answer all twelve questions :*

- 1 The difference between GNP at market price and GDP at market price is equal to :  
(a) Subsidies. (b) Net income from abroad.  
(c) Net indirect. (d) Depreciation.
- 2 The tertiary sector of the economy refers to :  
(a) Agriculture sector. (b) Industrial sector.  
(c) Service sector. (d) None of these.
- 3 The demand curve for a normal good always moves :  
(a) Downward from right to left. (b) Upward from right to left.  
(c) Parallel to horizontal axis. (d) Downward from left to right.
- 4 The Kinked demand curve is related to :  
(a) Monopoly. (b) Perfect competition.  
(c) Oligopoly. (d) Monopolistic competition.

Fill in the blanks. Answer *all* questions :

- 5 Charging different price in different market for a product is known as \_\_\_\_\_.
- 6 In India financial year starts on \_\_\_\_\_.
- 7 Personal income after personal tax is called \_\_\_\_\_.
- 8 Addition to the total utility is called \_\_\_\_\_.

True or false questions. Answer *all* questions :

- 9 Inflation is beneficial to salaried people.
- 10 The statement, "The government should step in to increase farm subsidies in times of drought," is an example of a normative economic statement.

**Turn over**

- 11 Banking and insurance belongs to secondary sector.
- 12 Production possibility frontier is a different combination of two commodities that a country can produce with given technology.

(12 × ¼ = 3 weightage)

**Part B (Short Answers Questions)**

*Answer all nine questions.*

- 13 What is opportunity cost ?
- 14 Define supply function.
- 15 Brief scarcity definition of economics.
- 16 What is elasticity of demand ?
- 17 What is inflation ?
- 18 Define Say's law of market.
- 19 What is meant by fiscal policy ?
- 20 What is investment multiplier ?
- 21 What is meant by market ?

(9 × 1 = 9 weightage)

**Part C (Short Essay or Paragraph Type Question)**

*Answer any five questions.*

- 22 Distinguish between micro economics and macro economics.
- 23 What are the central problems of an economy ?
- 24 What are the distinguishing features of monopoly and monopolistic competition ?
- 25 Analyze the effects of inflation on different sections of people.
- 26 Explain how income, price and cross elasticity of demand are measured.
- 27 Derive a demand curve using a hypothetical demand schedule.
- 28 Distinguish between deductive and inductive method of reasoning.

(5 × 2 = 10 weightage)

**Part D (Essay Questions)**

*Answer any two questions.*

- 29 Critically examine the important methods of estimating national income ?
- 30 What are the important fiscal and monetary policy instruments to control inflation ?
- 31 Critically examine the law of diminishing marginal utility with suitable examples.

(2 × 4 = 8 weightage)

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(Pages : 3)

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**FIFTH SEMESTER B.A./B.Sc./B.Com./B.B.A. DEGREE (SUPPLEMENTARY/  
IMPROVEMENT) EXAMINATION, NOVEMBER 2016**

(UG—CCSS)

Open Course

EC 5D 01—BASIC PRINCIPLES OF ECONOMICS

(2013 Admissions)

Time : Three Hours

Maximum : 30 Weightage

**Part A (Objective Type Questions)**

*Answer all four questions.*

*Choose the correct answer.*

1. The scarcity of resources implies that PPF is :
  - (a) Convex.
  - (b) Concave.
  - (c) Positively sloped.
  - (d) negatively sloped.
2. Under Perfect Competition, the firm is a :
  - (a) Price taker.
  - (b) Price Maker.
  - (c) Profit maker.
  - (d) None of these.
3. Net National Product minus Net Indirect Taxes is :
  - (a) National Income at Factor Cost.
  - (b) GNP.
  - (c) GDP.
  - (d) None of these.
4. For two complementary goods A and B, Cross Elasticity of Demand will be :
  - (a) Positive.
  - (b) Negative.
  - (c) One.
  - (d) Zero.

(4 × ¼ = 1 weightage)

Fill in the Blanks Questions. Answer all four questions :

5. The Law of Diminishing Marginal Utility was popularised by \_\_\_\_\_.
6. The slope of TC is \_\_\_\_\_.
7. If the value of multiplier is 4, MPS is \_\_\_\_\_.
8. Market with one buyer and one seller is called \_\_\_\_\_.

(4 × ¼ = 1 weightage)

**Turn over**

True or False Questions. Answer all *four* questions :

9. NNP at market price is calculated by GNP at market price minus Depreciation.
10. A monopoly market has a single buyer.
11. A perfectly vertical demand curve has a price elasticity of infinity.
12. The demand curve faced by a monopolist is perfectly elastic.

(4 × ¼ = 1 weightage)

**Part B (Short Answer Type Questions)**

*Answer all questions.*

13. Define Production Possibility Curve.
14. What do you mean by Normative Economics ?
15. Explain Cash Reserve Ratio.
16. Define Duopoly.
17. Write a note on Say's Law of Market.
18. State Law of Diminishing Marginal Utility.
19. What is Price Elasticity ?
20. Explain the term equilibrium.
21. Define Macro Economics.

(9 × 1 = 9 weightage)

**Part C (Short Essay Type Questions)**

*Answer any five questions.*

22. State and explain the central problems of an economy.
23. Explain about important Monetary Policy Instruments.
24. What are the difficulties in the measurement of National Income ?
25. What are the features of Perfect Competition ?
26. What are the exceptions to Law of Demand ?
27. Explain the important National Income Concepts.
28. Distinguish between expansion and contraction of demand.

(5 × 2 = 10 weightage)

**Part D (Essay Type Questions)**

*Answer any two questions.*

29. Define Elasticity. Explain about different types and degrees of Elasticity of Demand.
30. Discuss price and output determination under Monopoly Market structure.
31. Examine the nature and scope of Economics.

(2 × 4 = 8 weightage)



**Short Answer Type Questions (Answer All Questions). 9 x 1 = 9 Weightage**

13. Explain Inductive method
14. Define Opportunity Cost
15. Explain Marginal Propensity to save.
16. Define Oligopoly
17. What is multiplier?
18. What do you mean by market?
19. Define the meaning of fiscal policy.
20. Explain Elasticity of Demand.
21. What is Say's Law of Market?

**PART C****Short Essay Type Questions (Answer Any 5 Questions). 5 x 2 = 10 Weightage**

22. Distinguish between demand schedule and demand curve
23. Explain about factors influencing consumption function.
24. What is unit elasticity of demand? Explain.
25. Write a note on product differentiation.
26. State and explain Law of Diminishing Marginal Utility.
27. Explain the relationship between marginal cost and average cost.
28. Explain the importance of National Income Measurement

**PART D****Essay Type Questions (Answer Any 2 Questions). 2 x 4 = 8 Weightage**

29. Critically examine the Kinked Demand curve model of Oligopoly.
30. Define National Income. What are the different methods to calculate National Income?
31. Explain the objectives and instruments of Monetary Policy.