Duration: 3 Hrs 15 mins   **Max.Marks**: **100**

PART – A

I.   **Answer the following questions:**   **1 × 10 = 10**

1. Name the book written by Prof. Lionel Robbins.

2. What is an economic problem?

3. Which law is called as Gossen's first law?

4. Write the meaning of unit cost.

5. Which book is considered as the first modern work in economics?

6. Define price rigidity.

7. Who wrote the book entitled, 'How to pay for the war'?

8. What are externalities?

9. What is high powered money?

10. State the meaning of budget.

PART – B

II.   **Answer any 10 of the following questions:**   **10 × 2 = 20**

11. Differentiate between inductive and deductive method.

12. Write the meaning of indifference curve.

13. If 4 units of labour produce 70 units of 'x' and 5 units labour produce 75 units of 'x', calculate MP & AP.

14. 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 kgs to 120 kgs. Find out the price elasticity of supply.

15. What is meant by shut – down point?

16. What are selling costs and mention its objectives.

17. How does Macro economics depend on Micro economics?

18. Name the FOP along with their rewards.

19. Ramya is a college student and works as a office assistant after the class hours. Is her income included in N.I? How it affects the calculation of N.I.

20. Differentiate between CRR and SLR.

21. What is lender of last resort?

22. Define fiscal policy.

PART – C

III.   **Answer any 8 of the following questions:**   **8 × 5 = 40**

23. Is economics positive or normative? Discuss.

24. Explain the concepts of budget line and budget set.

25. How does demand curve shift. Explain with a diagram.

26. Explain the law of variable proportions.

27. Derive the long run supply curve of a firm.

28. Explain the features of monopolistic competition.

29. Explain the methods to calculate N.I.

30. Write a note on the supply of money.

31. Explain the quantitative methods of monetary policy.

32. Explain Keynes's psychological law of consumption.

33. Explain the types of budget deficits.

34. Explain the structure of BOP.

PART – D

IV. **Answer any 2 of the following questions:** $10 \times 2 = 20$

35. Explain how the invisible hand guides the producers and the consumers towards equilibrium in a perfect competitive market.

36. Explain the instruments of monetary policy of the RBI.

37. Explain the law of demand along with the limitations.

38. Discuss the long – run equilibrium under monopoly.

PART – E

V. **Answer any 2 of the following questions:** $2 \times 5 = 10$

39. Prepare the balance sheets of Bank A and Bank B with the initial deposit of Rs. 1000. [Bank A's]

40. If the demand and supply functions of a good are $Q_d = 250 – 50P$ and $Q_s = 25+25P$, find out the equilibrium price and equilibrium quantity demanded and supplied and prove that any price other than equilibrium price leads either excess supply or excess demand.

41. As per the demand function $Q_d = 30 – 2p$, when the price of good 'x' per kg is Rs 8,10,12,14 &16, then calculate the quantity of demand and derive an individual demand curve.

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