Duration: 3.15 minutes   Max.Marks: 100

Part – A

I.   Answer the following questions in a sentence each: **1 × 10 = 10**
1. State the meaning of economic system.
2. What is inductive method?
3. Write the book name written by J.M. Keynes
4. Name the economists who developed ordinal approach.
5. Mention the 3 issues that the consumers demand will have to be fulfilled.
6. What is the shape of MC & AC curve in the short run?
7. Give the meaning of a market.
8. Why marginal revenue has the shape of horizontal straight line in perfect competition.
9. Write the meaning of selling costs.
10. What do you mean by 'leissez faire' policy?

Part – B

II.   Answer any ten of the following: **2 × 10 = 20**
11. What is centrally planned economy?
12. Differentiate between deductive and inductive method.
13. What do you mean by budget set?
14. Can an indifference curve be concave to the origin? Why?
15. What do you mean by Giffen Paradox?
16. $O_d = 30 - 2p$ is demand function of onion. Suppose the price of onion in the market is Rs 10 per kg. Calculate the quantity demanded.
17. Give the meaning of TP, AP & MP.
18. Why does the SMC cut SAVC at its minimum point.
19. Differentiate between firm and industry with example.
20. State law of supply.
21. What is product differentiation?
22. Give the meaning of collusive oligopoly.

Part – C

III.   Answer any eight of the following: **8 × 5 = 40**
23. Explain the nature of mixed economy? How does it differ from market economy.
24. What is an indifference curve? Explain any five properties of IC.
25. Why does the demand curve slope downwards? Explain.
26. Write a note on short run production function.
27. Explain the AR and MR of a firm in perfect competition.
28. Write a note on price rigidity in oligopoly market.
29. Write the circumstances for the emergence of Macroeconomic study.
30. Describe the relationship between national income and welfare.
31. Explain the objectives of credit control policy of RBI.
32. Explain the working of multiplier.
33. Write a note on the types of budget deficits.
34. What are the exchange rate systems?

Part – D

IV.   Answer any two of the following: **2 × 10 = 20**
35. Critically analyze the concept of LDMU.
36. Explain the long run equilibrium under monopoly with diagram.
37. Explain how RBI controls money supply in the economy.
38. Explain the law of demand with the help of demand schedule and demand curve.

Part – E

V.   **Answer any two of the following:**   **5 × 2 = 10**

39. Assume that you are at the market with limited income of Rs. 100. From the budget set and draw the budget line.

40. If the demand and supply function of raw cotton are $Q_d = 250 - 50p$ and $Q_s = 25 + 25p$, find the equilibrium quantity demanded and quantity supplied and prove that any price other than equilibrium price leads either to excess supply or excess demand.

41. The market demand curve for commodity and total cost for monopoly firm producing the commodity is given by the schedule below

Quantity	0	1	2	3	4	5	6	7	8
Price in Rs	52	44	37	31	26	22	19	16	13
TC is Rs	20	60	85	100	102	105	109	115	125

Use the information to calculate the following
a) The MR and MC schedule
b) The quantities for which the MR and MC are equal
c) The equilibrium quantity of output and price of the commodity.

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