HSE 1   ECONOMICS   Score : 80 Marks

SAMPLE QUESTION PAPER   Time   : 2½

Answer any 8questions from the following (1 score each)

1. Micro economics is also known as

    A. Income theory, B. Aggregate economics, C. Price theory, C. None of these

2. Budget line equation is......

    A. $P1X1 + P2X2 = M$, B. $P1X1 + P2X2 < M$, C. $P1X1 + P2X2 > M$, D. $P1X1 + P2X2 \geq M$

3. If $P1 = 5$, $P2 = 10$ slope of the budget line is...........

    A. 2, B. 3, C. 0.5, D. 1

4. Addition to the total product is............

    A. MP, B. AP, C.TP, F. AC

5. In a Perfect competition market a firm is........

    A. Price maker, B. Price taker, C. A and B, D. none of these

6. The Book "The general theory of employment, interest and money" is written by.......

    A. Adam Smith, B. JM keyns, C. Alfred Marshal, D. JB Say

7. Which of the following is transfer payment

    A. Interest, B. wage, C. old age pension, D. Rent

8. The value of balanced budget multiplier is

    A. 0, B. 1, C.2, D. 3

9. Which of the following is the most liquid form of money

    A. M2, B. M1, C. M3, D. M4

10. Deliberate reduction of value of currency is known as

A. Revaluation, B. Devaluation, C. Currency appreciation, D. Over valuation

Answer any four questions from the following (2 scores each)

11. Classify the following into appropriate heads

    A. Salary of a clerk, B. National income, C. Profit of a company, D. Price level

12. Which are the four sectors of an economy

13. Distinguish between substitute and complementary goods with example

14. Write any two reasons for the rightward shift of PPC

15. What is Barter system and write any two difficulties

Answer any four questions from the following (3 scores each)

16. Draw an imaginary production possibility curve and mark the points which represents under utilisation and fuller utilisation of resources

17. Write down the relationship between Marginal cost and Average cost with diagram

18. QD=80-2P, QS=60+2P. Find equilibrium price and equilibrium quantity

19. Explain the concept of paradox of thrift with diagram

20. What are the measures taken by the central bank to control credit

Answer any four questions from the following (4 scores each)

21. Explain any four factors that affect price elasticity of demand?

22. Explain the concept of price ceiling and price floor with the help of diagrams

23. "GDP is a good index of welfare" do you agree? Substantiate your answer.

24. Calculate NNPfc from the following

    GNPmp =12000

    Depreciation =1000

    NIT = 220

25. Draw the Circular flow of income and expenditure in a two sector economy?

Answer any four questions from the following (5 scores each)

26. What are the functions of RBI

27. Which are the condition a firm should hold to maximize its profit. Draw the diagram satisfying these three conditions

28. Identify the formula for calculating revenue deficit, fiscal deficit and primary deficit?. Suggest any two measures for reducing fiscal deficit

29. Prepare a short note on the concept of speculative demand for money with the help of a diagram

30. Diagrammatically explain the determination of equilibrium income in a two sector economy

Answer any Two questions from the following (8 scores each)

31. (a)Write any three properties of indifference curve

    (b) diagrammatically explain the optimum choice of a consumer

32. Analyse the three different methods of measuring GDP

33. Output   0   1   2   3   4   5   6

     TC.   60 90 100 105 116 125 180

     Calculate TFC TVC AFC AVC SAC and SMC

     (b) draw TFC TVC and TC curves on a single graph

                    *****End****

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