

First Mid-Term Test - 2019**ECONOMICS**

Time : 1.30 hrs.

Max. Marks : 50

PART - A

- I. Multiple choice questions. 11 x 1 = 11**
1. "Economics is a study of mankind in the ordinary business of life" - It is the statement of
a) Adam Smith b) Lionel Robbins c) Alfred Marshall
d) Samuelson
 2. Find the odd one out
a) "An inquiry into the nature and the causes of the wealth of Nations". b) "Principles of Economics". c) "Nature and significance of Economic Science". d) "Ceteris paribus".
 3. The process of reasoning from particular to general is
a) Deductive method b) Inductive method c) Positive economics d) normative economics
 4. Gossen's first law is known as
a) Law of equi-marginal utility b) Law of diminishing marginal utility c) Law of demand d) Law of diminishing returns
 5. Given potential price is 450 and the actual price is 200. Find the consumer surplus.
a) 375 b) 175 c) 200 d) 50
 6. Ordinal utility can be measured by
a) Ranking b) Numbering c) Wording d) None of these
 7. **Match the following.**

1. Perfectly Elastic Demand	-	a) $E_p > 1$
2. Perfectly Inelastic demand	-	b) $E < 1$
3. Relatively Elastic demand	-	c) $E_p = \infty$
4. Relatively Inelastic demand	-	d) $E_p = 0$

a) 1-b, 2-a, 3-d, 4-c b) 1-c, 2-d, 3-a, 4-b
c) 1-c, 2-a, 3-b, 4-a d) 1-c, 2-d, 3-b, 4-a
 8. Formula for calculating AP is
a) $\Delta TP/N$ b) $\Delta TP/\Delta N$ c) TP/MP d) TP/N
 9. Which of the following is not a characteristic of land?
a) Its limited supply b) It is mobile c) Hetrogeneous
d) Gift of nature

10. The relationship between the price of a commodity and the supply of commodity is
a) negative b) positive c) zero d) increase
11. Find out the odd one out
a) ISO - price line b) ISO - income line c) ISO - expenditure line d) producer's equilibrium

PART - B

**II. Answer the following questions in one or two sentences.
(Answer any six questions) 6 x 2 = 12**

12. Distinguish goods from services.
13. Define positive economics.
14. Name the basic approaches to consumer behaviour.
15. State the meaning of indifference curves.
16. What are Giffen goods? Why it is called like that?
17. Define labour.
18. State the production function.
19. What are the reasons for upward sloping supply curve?

PART - C

**III. Answer the following questions in one paragraph.
(Answer any four questions) 4 x 3 = 12**

20. Elucidate different features of services.
21. Compare positive economics and normative economics.
22. Distinguish between extension and contraction of demand.
23. What are the properties of indifference curves?
24. State the Cobb-Douglas production function.
25. State and explain the elasticity of supply.

PART - D

3 x 5 = 15

IV. Answer the following questions in about a page

26. a) Elucidate the law of diminishing marginal utility with diagram.
(OR)
b) What are the methods of measuring elasticity of demand?
27. a) Compare and contrast various definitions of Economics.
(OR)
b) Explain the steps of Inductive methods.
28. a) Explain the law of variable proportions with the help of a diagram. (OR)
b) Explain the internal and external economics of scale.