

First Mid-Term Test - July, 2018**ECONOMICS**

Time : 1.30 hrs.

Max. Marks : 50

PART - A

- I. **Choose the correct answer** **10 x 1 = 10**
1. All economic problems are based on.....
a) unlimited means b) scarcity c) strategy to meet all our wants d) all the above
 2. Which one of the following is not a point in the welfare definition of economics.
a) study of an ordinary man b) economics does not focus on wealth alone c) economics is the study of material welfare d) economics deals with unlimited wants and limited means.
 3. Which of the following is a macroeconomics statement?
a) The price of sugar determines its demand. b) The study of individual economic units behaviour c) unemployment was 9.8 percent of the labour force last year d) supply of a firm
 4. Marginal utility is measured using the formula of.....
a) $TU_n - TU_{n-1}$ b) $TU_n - TU_{n+1}$ c) $TU_n + TU_{n+1}$
d) all the above
 5. Ordinal utility can be measured by
a) Ranking b) Numbering c) Wandering d) none of these
 6. Ram is willing to pay Rs. 1000 for a shirt. But he actually pays Rs. 700 only. Find Ram's surplus.
a) Rs. 500 b) Rs. 300 c) Rs. 600 d) Rs. 1700
 7. In case of relatively more elastic demand the shape of the curve is.....
a) horizontal b) vertical c) steeper d) flatter
 8. Which factor is called the changing agent of the society?
a) labourer b) land c) organizer d) capital
 9. In a firm 5 units of factors produce 24 units of the product when the number of factor increases by one, the production increases to 30 units. Calculate the average product
a) 30 b) 6 c) 5 d) 24

10. The Cobb-Douglas production function can be expressed as...

- a) $Q = f(N, L, K, T)$ b) $MRTS_{LK} = \frac{PL}{PK}$ c) $Q = AL^\alpha K^\beta$
d) $Q = AL^{-\alpha} K^{-\beta}$

PART - B

II. Answer any five of the following

5 x 2 = 10

Question No.17 is compulsory.

11. Distinguish between goods from services. 1
12. What is Normative economics?
13. What are the types of elasticity of demand?
14. What are Giffen goods? Why?
15. What are the conditions for producer's equilibrium?
16. What are the reasons for upward sloping supply curve?
17. What are the other names of ISO price line? Draw the ISO-price line diagram.

PART - C

III. Answer any five of the following. Question No.24 is compulsory.

5 x 3 = 15

18. Explain the different types of economic activities.
19. Distinguish between micro economics and macro economics.
20. Distinguish between extension of contraction of demand.
21. Explain the theory of consumer's surplus.
22. Explain point elasticity with diagram.
23. What are the characteristics of land.
24. State and explain the elasticity of supply.

PART - D

Answer all the questions given below.

3 x 5 = 15

25. a) Compare and contrast various definitions of economics.
(OR)
b) Explain the basic problems of economy with the help of production possibility curve.
26. a) Explain the law of demand and its exceptions. (OR)
b) Explain the law of equi-marginal utility.
27. a) Elucidate the laws of returns to scale. (OR)
b) Explain the internal and external economics of scale.