

**Karnataka Sangha's
MANJUNATHA COLLEGE OF COMMERCE &
JUNIOR COLLEGE OF COMMERCE**

Preliminary Exam- I

Subject: Economics

Date : 14.12.2019

Class: S.Y.J.C

Time: 3 Hrs

Marks: 80

Q.1 A) Fill in the blanks using proper alternative giving the brackets:

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1. Micro Economics is a study of _____.
(Whole Economy, General price level, National Output, Individual Economic unit)
2. The Slope of demand curve is _____ in the case of relatively inelastic demand.
(Flatter, Steeper, Horizontal, Vertical)
3. The book the General theory of Employment, "Interest and Money" was written by _____.
(Marshall, Keynes, Smith, Ricardo)
4. The primary functions of commercial Banks is to _____.
(Purchase & Sales securities, Accept deposits provide safe deposit vaults, issue letter of credit)
5. During depression _____ budget is preferable.
(Balance, Surplus, Deficit, Zero)

B) Match the following:

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Group A		Group B	
a	Demand and Price	1	Interest
b	Stock	2	Profit
c	Reward of capital	3	Reserve Bank of India
d	Unemployment allowance	4	Bank of India
e	Central Bank	5	Direct Relation
		6	Potential supply
		7	Transfer income
		8	Inverse Relation

C) State whether the following statements are True or False :

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1. Adam Smith is known as "Father of Economics".
2. Better transport facility increase supply at the same price.
3. Under perfect competition price is determined by equilibrium of Demand & supply.
4. Token coins are such coins whose face value is greater than their intrinsic value.
5. Central Bank acts as a lender of the last resort.
6. Budget is not prepared for each and every year.

Q.2 A) Define or Explain the following Concepts: (Any 3)

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1. Individual Demand
2. Unitary Elastic Demand
3. Central Bank
4. Service Utility
5. Bank Rate
6. Macro Economics

B) Give Reasons or Explain the following: (Any 3)

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1. All desires are not demand.
2. A monopolist can control the supply of goods.
3. The supply of land is inelastic.
4. Paid services are included in national income.
5. Macroeconomics is the study of aggregates.
6. During the period of depression deficits budgets is used.

- Q.3 A) Distinguish between the following: (Any 3)** 6
1. Micro Economics & Macro Economics
 2. From Utility & Time Utility
 3. Increase in demand & Decrease in demand
 4. Central Bank & Commercial Bank
 5. Metallic Money & Paper Money
 6. Land & Capital
- B) Write short notes: (Any 2)** 6
1. Giffen paradox
 2. Types of capital
 3. E-Banking Facility
 4. Types of Loan
- Q.4 Answer the following questions: (Any 3)** 12
1. What are the features of perfect competition?
 2. Explain features of Utility.
 3. Explain law of demand.
 4. Explain features of National Income.
 5. What are the types of Budget?
 6. What are the determinants of aggregate demand?
- Q.5 State with reason whether you 'agree' or disagree' with the following statements: (Any 3)** 12
1. There are no exceptions to the law of demand.
 2. Law of diminishing Marginal Utility is important in practice.
 3. There are many features of labour.
 4. Central bank has the sole power of issuing currency notes.
 5. Overdraft facility is not provided to the current account holders.
 6. Money performs various functions.
- Q.6 Write explanatory answers: (Any 2)** 16
1. What are types of price elasticity of demand?
 2. Explain the law of DMU with assumption.
 3. Explain the practical difficulties involve in the estimation of National Income.
 4. Explain Keynesian "Psychological law of consumption".
