

I Semester Online-MBA Examination – January 2025

Course: HC-1.2 – Managerial Economics

Duration: 3 Hours

Max Marks: 80

PART-A

Answer all the Questions. Each Question carries 2 Marks

(25*2=50)

1. Managerial Economics is

- a) Dealing only micro aspects
- b) Only a normative science
- c) Deals with practical aspects
- d) All of the above

2. In economics, desire backed by purchasing power is known as

- a) Utility
- b) Demand
- c) Consumption
- d) Scarcity

3. In the case of perfect elasticity, the demand curve is

- a) Vertical
- b) Horizontal
- c) Flat
- d) Steep

4. _____ is the base of marketing planning

- a) Demand Estimation
- b) Demand analysis
- c) Demand function
- d) Demand forecasting

5. Perfect competition is characterized by

- a) Large number of buyers and sellers
- b) Homogeneous product
- c) Free entry and exit of firms
- d) All the above

6. The factors used in the production

- a) Land and labor
- b) Capital & entrepreneurship
- c) Both a & b
- d) Only capital

7. Car and petrol are

- a) Complimentary goods
- b) Substitute goods
- c) Supplementary goods
- d) Reserve goods

8. Cost plus pricing is also called

- a) Margin pricing
- b) Full cost pricing
- c) Mark up pricing
- d) All the above

9. The architect of the theory of monopolistic competition

- a) Rosenstein Roden
- b) JR Hicks
- c) Karl Marx
- d) Chamberlin

10. $Ep=0$ in the case of _____ elasticity

- a) Perfectly elastic demand
- b) Perfectly inelastic demand
- c) Relative elastic demand
- d) Unitary elastic demand

11. The opportunity cost of a given activity is

- a) The value of next best activity
- b) The value of material used
- c) The cost of input used
- d) None of these

12. The law of diminishing returns applies more generally to

- a) Agriculture
- b) Industry
- c) Services
- d) Commerce

13. The market with a single producer

- a) Perfect competition
- b) Monopolistic competition
- c) Oligopoly
- d) Monopoly

14. Average cost pricing is also called as

- a) Cost plus pricing
- b) Marginal cost pricing

- c) Margin pricing
- d) Both A & C

15. Product differentiation is the important feature of

- a) Monopoly
- b) Perfect competition
- c) Monopolistic competition
- d) Monophony

16. The relationship between price and quantity demanded is

- a) Direct
- b) Inverse
- c) Linear
- d) Non-linear

17. The marginal revenue equation can be derived from the:

- a) Demand equation
- b) Supply equation
- c) Cost equation
- d) Price equation

18. Kinked Demand Curve related to

- a) Perfect competition
- b) Monopolistic Competition
- c) Oligopoly Competition
- d) All of these

19. Price Elasticity of demand =

- a) Proportionate change in quantity demanded
Proportionate change in price
- b) Change in Quantity demanded / Change in Price/price
- c) $(Q_2 - Q_1)/Q_1$
 $(P_2 - P_1)/P_1$
- d) All the above

20. Purpose of Short term Demand forecasting doesn't includes

- a) Making a suitable production policy.
- b) To reduce the cost of purchasing raw materials and to control inventory.
- c) Deciding suitable price policy
- d) Planning of a new unit or expansion of existing unit

21. Which of the following is not a function of managerial economists?

- a) Advice on trade and public relations
- b) Economic analysis of agriculture
- c) Investment analysis

d) Supervision and control

22. The condition for the long run equilibrium of a perfectly competitive firm

- a) Price=MC=AC
- b) Price=TC
- c) MC=AVC
- d) MC=MR

23. Under oligopoly a single seller cannot influence significantly

- a) Market price
- b) Quantity supplied
- c) Advertisement cost
- d) All the above

24. When income increases, quantity demanded falls, it is

- a) Positive income elasticity
- b) Zero income elasticity
- c) Negative income elasticity
- d) Unitary income elasticity

25. In a perfect market both buyers and sellers are

- a) Price maker
- b) Price giver
- c) Price taker
- d) All the above

PART-B

Answer any four questions. Each question carries five marks

(4*5=20)

1. What is production function?
2. What is meant by economies of scale? Give examples.
3. Discuss the features of business cycle.
4. Define inflation and deflation.
5. Mention the objectives of Monetary and Fiscal policy.
6. What are the important methods of demand forecasting?
7. Discuss the conditions of equilibrium of an industry.
8. What are the factors that influence elasticity?

PART-C

Answer any one question. Which carries ten marks

(1*10=10)

1. What is the breakeven point? Analyse with an illustration.
2. Distinguish between price, income, cross and advertisement elasticity of demand with appropriate examples.
3. Define Monopoly and explain the determination of price and output under monopoly in the short period.
4. Discuss the effects and causes of inflation, in detail



Duration: 03 Hours

Max Marks: 80 Marks

Instructions: Answer all the Parts

PART-A

Answer all Questions (Objective Only):

Each Question carries 2 Marks:

(25x2=50)

1.

- a. Trickle down effects means _____
 - i. Upward Growth Effects
 - ii. Growth percolation Effects
 - iii. Effects on Manufacturing Sector
 - iv. Constant Effects

- b. Capital –Output ratio describes _____
 - i. Capital Intensity
 - ii. Capital Size to firm Size
 - iii. Capital Employed
 - iv. Capital Productivity

- c. The non-economic factor to determine economic development is:
 - i. Capital-Output ratio
 - ii. Population
 - iii. Capital formation
 - iv. Agricultural Surplus

- d. The Human Development Index is in use since
 - i. 1995
 - ii. 1999
 - iii. 1990
 - iv. 2001

- e. Decentralized Planning is
 - i. Planning at state and District Level
 - ii. Planning at Sub-divisional Level
 - iii. Planning at Block level
 - iv. All of the above

- f. The Human Poverty Index is developed by
 - i. UNCTAD
 - ii. World Bank
 - iii. IMF
 - iv. United Nations

g. Gender Empowerment Index is _____ Indicator of Development.

- Economic Indicator
- Non-Economic Indicator
- Social Parameter
- None of the above

h. The Industries (Development and Regulation) Act was passed in the year

- 1983
- 1951
- 1975
- 1999

i. Public Private Partnership - BOT refer to

- Build Operate Transfer
- Build Own Transfer
- Build Operate System Transfer
- None of the above

j. The Total land area of India is _____ million hectares

- 328.8 million
- 380.8 million
- 580.2 million
- None of the above

k. India's population according to the census of 2011 is

- 121.02 crore
- 100.02 crore
- 120 crore
- None of the above

l. Family Planning Programme is first introduced by

- India
- China
- Pakistan
- Bangladesh

m. The first national educational policy is announced in the year

- 1966
- 1962
- 1968
- None of the above

n. NABARD was established on the recommendations of _____ Committee

- Narashiman Committee
- B.Shivaraman Committee
- Ashot Mehta Committee
- M.L. Dantewala Committee

o. National Ayush Mission (NAM) was introduced in _____ five year plan.

- i. 10th Five year Plan
- ii. 11th Five Year Plan
- iii. 12th Five year Plan
- iv. None of the above

p. Medium Term Man power Planning is related to :

- i. Planning for 2 to 5 Years
- ii. Planning for 2 to 4 years
- iii. Planning for 1 to 4 years
- iv. Planning for 2 to 6 years

q. Nagpur Plan is related to _____

- i. Small Scale Industry Classification
- ii. Economic planning
- iii. Roads Classification
- iv. Regional Growth

r. India has _____ number of National waterways.

- i. Five
- ii. Six
- iii. Seven
- iv. Eight

s. Call Money market is related to _____ loans

- i. Medium period
- ii. Long period
- iii. Short period
- iv. All of the above

t. The Regional Rural Banks are shareholding pattern is

- i. Central government (50), State Government (15), Sponsoring bank (35)
- ii. Central government (15), State Government (50), Sponsoring bank (35)
- iii. Central government (50), State Government (35), Sponsoring bank (15)
- iv. Central government (35), State Government (15), Sponsoring bank (50)

u. Planned Economy for India is authored by

- i. Dadabhai Naroji
- ii. Gadgil
- iii. Sir.M.V. Vishveswaraiah
- iv. Planning Commission

v. The Export and Import (EXIM) Bank is established in

- i. 1982
- ii. 1981
- iii. 1978
- iv. 1979

w. The Garibi Hatao was initiated during _____ plan

- Fourth
- Fifth
- Annual
- Sixth

x. Jacob Viner is associated with

- Equitable Distribution of Wealth
- Sustainable Growth
- Industrial Growth
- None of the Above

y. As per 2011 census , the most populous state is _____

- West Bengal
- Madhya Pradesh
- Rajasthan
- Uttar Pradesh

PART-B

Answer any Four Questions:

Each Question carries 5 Marks

(4x5=20)

- Discuss the recent Population policy of India
- Highlight the objectives of 12th Five year Plan
- Explain the features of decentralized planning
- Write a note on National Planning Commission
- Discuss the concept “Demographic Dividend”.
- Write a note on any two major health programmes in India
- Discuss the factors that determine economic development
- Write a Note on Corruption Index.

PART-C

Answer any One Question

Each Question carries 10 Marks

(1x10=10)

- Discuss the statement, “Development has to be preceded by progress in Infrastructure”.
- Highlight the recent economic features of Indian Economy.
- In detail explain the income and non-income indicators of Economic Development.
- Discuss any two five year plans of post economic reforms period.

QUESTION PAPER SET-A - KEY ANSWERS

QUESTION	KEY
a	ii
b	iv
c	ii
d	iii
e	iv
f	iv
g	ii
h	ii
i	i
j	i
k	i
l	i
m	iii
n	ii
o	iii
p	i
q	iii
r	ii
s	iii
t	i
u	iii
v	i
w	ii
x	i
y	iv



Duration: 03 Hours

Max Marks: 80 Marks

Instructions: Answer all the Parts

PART-A

Answer all Questions (Objective Only):

Each Question carries 2 Marks:

(25x2=50)

1.

- a) The difference between international trade and domestic trade are
 - i. Different government policies
 - ii. Immobility of factors
 - iii. Trade restrictions
 - iv. All of the above

- b) Which theory of the following is called as classical theory of International Trade
 - i. Absolute Cost advantage theory
 - ii. Comparative cost Advantage theory
 - iii. H.O theory
 - iv. Both A and B

- c) Mercantilism was not proposed
 - i. Trade Restriction
 - ii. Free Trade Policy
 - iii. Accumulation of foreign currency
 - iv. Subsidies of export industries

- d) Factor endowment theory was given by
 - i. Adam Smith
 - ii. David Ricardo
 - iii. Heckscher and Ohlin
 - iv. Linder

- e) In H O theory 2x2x2 model refers to
 - i. 2 commodities 2 countries 2 factors of production
 - ii. 2 Labours 2 countries 2 factors of production
 - iii. 2 Labours 2 raw materials 2 factors of production
 - iv. 2 commodities 2 countries 2 Cloths and wines

- f) The First empirical test of the Hecksher Ohlin model was conducted by
 - i. Wassily Leontief
 - ii. Linder
 - iii. Baldwin
 - iv. Karvis

g) Immiserizing growth is a theoretical situation first proposed by

- i. Jagdish Bhagwati
- ii. B. Linder
- iii. C. Baldwin
- iv. D. Grubel-Lloyd

h) Gross Barter Terms of Trade was introduced by

- i. Jagdish Bhagwati
- ii. F.W. Taussing
- iii. J S Mill
- iv. Grubel-Lloyd

i) The taxes or duties imposed on imports are known as

- i. Quotas
- ii. Fines
- iii. Tariffs
- iv. Terms of Trade

j) The current account balance of payment condition is always

- i. surplus
- ii. deficit
- iii. balanced
- iv. surplus or deficit

k) In which year did nations gathered at Bretton Woods

- i. 1942
- ii. 1943
- iii. 1944
- iv. 1945

l) Special Drawing Right was created by

- i. IMF
- ii. IBRD
- iii. RBI
- iv. WTO

m) Most favoured nation clause was introduced by

- i. IMF
- ii. IBRD
- iii. GATT
- iv. WTO

n) Terms of trade refers to

- i. The rate at which the goods of one country exchange for the goods of another country.
- ii. The rate at which the money of one country exchange for the money of another country
- iii. The rate at which the goods and currency of one country exchange for the goods of another country
- iv. The rate at which the goods of one country exchange for the goods of with in the country

- o) Duties are levied as a fixed percentage of the value of the commodity imported or exported is known as
 - i. Tariff duties
 - ii. Specific duties
 - iii. Ad-valorem duties
 - iv. compound duties
- p) A ceiling on quantity of export and imports in international trade is called as
 - i. Tarif
 - ii. Duties
 - iii. Quotas
 - iv. Subsidy
- q) International price discrimination in which an exporting firm sells at a lower in a foreign market than it charges in other markets is called as
 - i. Globalization
 - ii. Free trade policy
 - iii. Dumping
 - iv. Devaluation
- r) Purchasing power parity theory given by
 - i. Gustav
 - ii. Robert Carbaugh
 - iii. Mint
 - iv. C. P Kindleberger
- s) What does The TOT measure?
 - i. Income of one country compared to another
 - ii. The GDP of one country compared to another
 - iii. The quantity of exports of one country compared to another
 - iv. Export price compared to import price
- t) The situation in which imported goods are more than exported goods?
 - i. Trade deficit
 - ii. Trade barriers
 - iii. Trade surplus
 - iv. None
- u) Which exchange rate would most likely be used for a transaction that will occur at a future date?
 - i. Forward
 - ii. Current Account
 - iii. Future rate
 - iv. Present value rate
- v) When tariff are imposed
 - i. The prices of imports would increase to the extent of tariff
 - ii. The prices of imports would decrease to the extent of tariff
 - iii. The prices of imports would increase by a multiple of tariff
 - iv. The prices of imports would decrease by a multiple of tariff

w) A main effect of devaluation is that it

- Makes the domestic currency Cheaper relative to other currencies
- Makes the domestic currency dearer relative to other currencies
- Makes the foreign currency Cheaper relative to other currencies
- Leaves the relative value unchanged

x) The paradox that growth can make a country worse off is termed as

- Rybezinsky theorem
- Immisering growth
- Triffin dilemma
- Leontief's paradox

y) Net exports equal to

- Exports \times Imports
- Exports + Imports
- Exports – Imports
- Export of service only

PART-B

Answer any Four Questions:

Each Question carries 5 Marks

(4x5=20)

- Explain absolute cost advantage theory.
- Critically explain comparative cost theory of David Ricardo.
- What are the different types of tariff?
- Explain the factors determining terms of trade.
- Briefly explain the exchange rate determinant factors.
- Explain the gains from Trade
- Explain the merits and demerits of Free Trade.
- Discuss the objectives and function of SAARC.

PART-C

Answer any One Question

Each Question carries 10 Marks

(1x10=10)

- Critically explain the Heckscher -ohlin theory of International Trade.
- Discuss the significance of non-tariff trade barriers in international trade.
- What is balance of payment? Discuss the causes for disequilibrium in balance of payment.
- Describe the functions and objectives of World Trade Organization.

International Trade and Finance

Key Answers

a) iv

b) iv

c) ii

d) iii

e) i

f) i

g) i

h) ii

i) iii

j) iv

k) iii

l) i

m) iii

n) i

o) iii

p) iii

q) iii

r) i

s) iv

t) i

u) i

v) i

w) i

x) ii

y) iii

Karnataka State Open University



Mukthagangotri, Mysore.

Department of Studies & Research in Economics

Online Programme 2023-24, M.A.Economics, Ist Semester

Macro-Economic Analysis-1

SET-1

Duration: 03 Hours

MaxMarks: 80

PART-A

Instructions: Answer all the Parts

Answer all Questions (Objective Only):

(25x2=50)

Each Question carries 2 Marks:

1.

- a) Macro-economics deals with.....
 - i. Aggregate economic activity
 - ii. Individual economic activity
 - iii. Variables
 - iv. None of the above

- b) National Income can be measured in
 - i. Product method
 - ii. Income method
 - iii. Expenditure method
 - iv. All of the above

- c) Is a condition of economic equilibrium which takes into consideration only a part of the market to attain equilibrium.
 - i. Micro-economics
 - ii. Interest
 - iii. Partial equilibrium
 - iv. none of the above

- d) Effective demand deals with.....
 - i. Effective demand
 - ii. Effective supply
 - iii. Both I & ii
 - iv. none of the above

- e) Determinants of Consumption functions
 - i. Income
 - ii. Changes in expectation
 - iii. Consumer credit
 - iv. All of the above

- f) Marginal efficiency of capital is an expected return from an additional unit of a
 - i. Individual asset
 - ii. Group asset
 - iii. Capital asset
 - iv. none of the above

g) Interaction between Multiplier and Accelerator was introduced by.....

- i. J.M. Keynes
- ii. Hansen
- iii. Pigou
- iv. none of the above

h) In monetary theory, economists have used the term 'supply of money' as.....

- i. Stock of money
- ii. Money stock
- iii. Quantities of money
- iv. All of the above

i) According to Reserve bank of India supply of money constitute.....

- i. $M_1 + M_2$
- ii. $M_2 + M_3$
- iii. $M_3 + M_4$
- iv. $M_1 + M_2 + M_3 + M_4$

j) Factors determining Supply of money are.....

- i. Required Reserve Ratio
- ii. Public's desire to hold money
- iii. High powered money
- iv. All of the above

k) The approach that focuses on the store of value function of money is called.....

- i. Cash balance approach
- ii. Fisher's equation
- iii. Cash transaction approach
- iv. none of the above

l) Three motivations of Demand for Money.....

- i. Transactions demand for money
- ii. Precautionary demand for money
- iii. Speculative demand for money
- iv. All of the above

m) The situation where Interest rate remains unchanged is called.....

- i. Liquidity trap
- ii. Explicit cost
- iii. Implicit cost
- iv. Social cost

n) Baumol's Inventory approach focuses on the

- i. Demand for money
- ii. supply for money
- iii. transactions demand for money
- iv. none of the above

o)shows that the asset demand for money in the portfolio increases as the rate of interest on bonds falls

- Profit
- Liquidity preference function
- Quasi rent
- Interest

p) Stable demand for money is a function of permanent income of individual consumers is called.....

- Demand for money function
- Micro-economics
- Public economics
- none of the above

q)gave his quantity theory of money in his essay "The quantity theory of Money-A Restatement(1956)

- Adam Smith
- Milton Friedman
- J.B.Say's
- Robbins

r) General Credit controls are also called as.....

- Qualitative credit control
- Less than one
- Quantitative credit control
- none of the above

s) The ratio of liquid assets to total demand and time liabilities determined statutorily.

- Flexibility
- Stability
- Relatively
- Statutory Liquidity Ratio

t)refers to a tendency of persistent rise in prices over a period of time..

- Inflation
- Absolute function
- Investment function
- none of the above

u) Hicks-Hansen model is also called.....

- J.B.Say's model
- Robbins model
- IS-LM curve model
- none of the above

v) The slope of IS curve is.....

- Positive
- Negative
- Constant
- none of the above

w) Liquidity preference is governed by the.....

- Precautionary motive
- Transaction motive
- Speculative motive
- All of the above

x) Who formulates monetary policy in India?

- Ministry of Finance
- Reserve Bank of India
- State governments
- Planning commission

y) Which of the following is the primary objective of Fiscal policy.

- Achieving full employment
- Controlling inflation
- Promoting economic growth
- All of the above

PART-B

Answer any Four Questions:

Each Question carries 5 Marks

(4x5=20)

- Explain the nature and significance of Macro-economics
- Explain the Say's law of market.
- Analyse the psychological law of consumption.
- Explain factors determining Investment function.
- Explain the components of Money supply.
- Explain the Fisher's equation.
- Examine the Keynes theory of demand for money.
- Explain the Milton Friedman's theory.

PART-C

Answer any One Question

Each Question carries 10 Marks

(1x10=10)

- Explain the National income and its accounting.
- Explain the Keynes employment theory.
- Briefly explain the Neo-Classical theory of Investment.
- Examine the control of Money supply.
- Explain the theory of Interest.

KEY ANSWER

PART-A

1.	
a)	i
b)	iv
c)	ii
d)	iii
e)	iv
f)	iii
g)	ii
h)	iv
i)	iv
j)	iv
k)	i
l)	iv
m)	i
n)	iii
o)	ii
p)	i
q)	ii
r)	iii
s)	iv
t)	i
u)	iii
v)	ii
w)	iv
x)	ii
y)	iv



Duration: 03 Hours

Max Marks: 80 Marks

Instructions: Answer all the Parts

PART-A

Answer all Questions (Objective Only):

Each Question carries 2 Marks:

(25x2=50)

a) Which of the following is a part of microeconomics?

- i. Factor pricing
- ii. National income
- iii. Both i and ii are correct
- iv. Both i and ii are incorrect

b) The branch of economics that deals with the allocation of resources is _____.

- i. Econometrics
- ii. Macroeconomics
- iii. Microeconomics
- iv. None of the above

c) What is true for inductive method?

- i. Hypothetical
- ii. Empirical
- iii. Ignores experimentation
- iv. Static

d) Microeconomics deals primarily with:

- i. Comparative statics, general equilibrium and positive economics
- ii. Comparative statics, partial equilibrium and normative economics
- iii. Dynamics, partial equilibrium and positive economics
- iv. Comparative statics, partial equilibrium and positive economics.

e) A function refers to :

- i. The demand for a commodity
- ii. The supply of a commodity
- iii. The demand and supply of a commodity service or resource
- iv. The relationship between one dependent variable and one or more independent variables.

f) Theory of demand examines the behaviour of the _____

- i. Consumer
- ii. Producer
- iii. Firm
- iv. Industry

g) Utility is the concept which is:

- Objective
- Subjective
- Both
- None

h) An Indifference Curve to the right of another represents combinations which are:

- Indifferent
- Preferable
- Inferior
- Superior

i) Substitution Effect is:

- Always negative
- Always positive
- Seldom negative
- Zero

j) The marginal utility theory is contributed by:

- Marshall
- David Ricardo
- Adam Smith
- Samuelson

k) The change in demand is due to the change in:

- Income
- Own price
- Prices of related products
- Expectations

l) Supply curve represents ----- relationship between quantity and price

- Direct
- Inverse
- Either direct or inverse
- None of the above

m) An increase in the price of the commodity when demand is inelastic causes the total expenditure of consumers of the commodity to:

- Increase
- Decrease
- Remains unchanged
- Any of the above

n) A movement down the given demand curve shows:

- Increase in demand
- Decrease in demand
- Extension in demand
- Contraction in demand

o) Which of the following results in an increase in demand:

- Fall in prices of substitutes
- Increase in price of complementary goods
- Fall in consumer's income
- None of the above

p) An increase in supply means:

- Movement down given supply curve
- Movement upward given supply curve
- Leftward shift in supply curve
- Rightward shift in supply curve

q) What do you mean by Gross National Product?

- The total value of goods and services produced in the country
- The total value of all the transactions in the country
- The depreciation in the total value of goods and services produced in the country
- The total value of goods and services produced in the country and the net factor income from abroad

r) What is Gross Domestic Product?

- The total value of goods and services manufactured in the country
- The total value of all the transactions in the country
- The reduction in the total value of goods and services produced in the country
- The monetary value of all finished goods and services made within a country during a specific period.

s) Law of diminishing marginal utility is based on the assumption that

- Tastes change over time
- Consumption is continuous
- Different units of goods consumed are homogeneous

Of these statements

- Only A is true
- A and C are true
- B and C are true
- All are true

t) The indifference Curve technique

- Has replaced utility technique altogether
- Is used as alternative to the utility technique
- Is used along with the utility approach
- Has become a part of the utility approach

u) In Cobb – Douglas Production function elasticity of factor substitution is equal to

- Zero
- Infinity
- One
- $0 < es < 1$

v) Which of the Following is not the Reason for increasing Returns to scale

- Indivisibility of the factors
- Fuller Utilisation of fixed factors
- Greater specialization of factors
- Dimensional economies

w) Quantity demanded varies inversely with price

- Typical Supply curve
- Giffen demand curve
- Ordinary supply curve
- Typical demand schedule

- x) National Income \div Population Size =
 - i. Personal income
 - ii. Real income per capita
 - iii. Per capita income
 - iv. Population density
- y) Nominal GNP is the same as,
 - i. GNP at constant prices
 - ii. Real GNP
 - iii. GNP at current prices
 - iv. GNP less net factor income from abroad

PART-B

Answer any Four Questions:

Each Question carries 5 Marks

(4x5=20)

- 2. Explain the Nature and Scope of micro economics?
- 3. Explain the Properties of Indifference Curves?
- 4. Briefly evaluate the law of demand.
- 5. Discuss the properties of indifference curve.
- 6. Explain the basic principles of economics?
- 7. Explain the features of coob-douglas production function
- 8. Briefly discuss the nature of cost-output relationship in the short-run
- 9. Write a note on price discrimination.

PART-C

Answer any One Question

Each Question carries 10 Marks

(1x10=10)

- 10. Critically evaluate the Samuelson's Revealed Preference theory of consumer behaviour?
- 11. Explain the law of Variable proportions with the help of a diagram?
- 12. Critically evaluate why does a demand curve has a negative slope?
- 13. Explain the various degree of price elasticity of demand with the help of diagram?

KEY ANSWERS

Q.No	Key Answer
a)	i
b)	iii
c)	ii
d)	iv
e)	iv
f)	i
g)	ii
h)	ii
i)	ii
j)	i
k)	ii
l)	i
m)	i
n)	iv
o)	ii
p)	iv
q)	iv
r)	iv
s)	ii
t)	ii
u)	iii
v)	iii
w)	iv
x)	iii
y)	iv



Duration: 01 Hours 30 minutes

Max Marks: 40 Marks

Instructions: Answer all the Parts

PART-A

Answer all Questions (Objective Only):

Each Question carries 2 Marks:

(20x2=40)

1. New Economic Policy of India was launched in the year 1991 under the leadership of
 - i. Dr. Manmohan S
 - ii. P.V. Narasimha Rao
 - iii. Ravjeev Gandhi
 - iv. Atal bihari vajpayee
2. The total outstanding external debt of India which stood at 83.8 billion dollars in 1991
 - i. 80.3 Million
 - ii. 75 Billion
 - iii. 83.8 billion
 - iv. 99 Billion
3. Which of the following does not belong to solve the economic crisis in India
 - i. Devaluation
 - ii. Liberalisation
 - iii. Privatization
 - iv. Demonetisation
4. Expand FEMA
 - i. Foreign Exchange Management Act
 - ii. Foreign Export Management Act
 - iii. Foreign Executive Management Act
 - iv. Foreign Excludable Management Act
5. The major steps taken for globalization are:
 - i. Exchange rate adjustment and rupee convertibility
 - ii. Import liberalization
 - iii. Liberalization of capital flow
 - iv. All of the above

6. The monetary policy is prepared and implemented by

- SEBI
- IMF
- RBI
- All the above

7. Narasimhan committee has given its first report in 1991 for

- Banking and Financial Sector Reforms
- Industrial Reforms
- ICT Reforms
- None of the Above

8. The main objectives of Fiscal Policy is/are

- To maintain and achieve full employment
- To stabilize the price level
- To stabilize the growth rate of the economy
- All of the above

9. According to ----- said “ An exchange of various specialized commodities and services rendered among the corresponding countries is known as foreign trade”

- Prof.J.L.Hanson
- Adam Smith
- David Ricardo
- None of the Above

10. The government of India devalued rupee by ----- per cent in July 1991

- 20
- 18
- 25
- 10

11. Which of the following is belongs to Foreign Exchange Market in India

- Spot Market
- Future Exchange
- Forward Market
- All of the above

12. Which state stood first in FDI inflow from October 2019 to March 2020

- Gujarat
- Karnataka
- Haryana
- Kerala

13. Major causes of Labour Migration is/are

- Water-logging
- Population pressure and Land fragmentation
- River-bank erosion
- All of the above

14. Expand FII

- i. Foreign Institutional Investment
- ii. Foreign Industrial Investment
- iii. Foreign Investment in India
- iv. None of the above

15. Integrated Rural Development Programme was started in the Year -----

- i. 1966-67
- ii. 1976-77
- iii. 186-87
- iv. None of the above

16. Minimum Needs Programme was launched during

- i. First Five Year Plan
- ii. Third Five Year Plan
- iii. Sixth Five Year Plan
- iv. Fifth Five Year Plan

17. The main objectives of Sampoorna Gramina Rojgar Yojna is/are

- i. Gainful employment and Food security
- ii. Houses
- iii. Providing mobile phones
- iv. Education

18. Shri K.N.Wanchoo submitted final report of Black money in -----

- i. 1966
- ii. 1971
- iii. 1980
- iv. 1969

19. Major causes of Black Money is/are

- i. Controls and licensing system
- ii. High Rate of Taxes
- iii. Ineffective enforcement of tax laws.
- iv. All of the above

20. Right to Information (RTI)Act came into force on

- i. 12-10-2005
- ii. 12-10-2004
- iii. 12-11-2006
- iv. None of the above

Key Answer

Q.No.	Key Answer
1.	ii
2.	iii
3.	iv
4.	i
5.	iv
6.	iii
7.	i
8.	iv
9.	i
10.	ii
11.	iv
12.	iv
13.	iv
14.	i
15.	ii
16.	iv
17.	i
18.	ii
19.	iv
20.	i