



Time Allotted : 3 Hours

Full Marks :70

*The Figures in the margin indicate full marks.**Candidate are required to give their answers in their own words as far as practicable***Group-A (Very Short Answer Type Question)**

1. Answer any ten of the following : [1 x 10 = 10]
- (i) If expenditure exceeds the tax revenue, then it is called _____
 - Balance of trade (BOT) is the difference between the export and import of commodities (True / False)
 - 'What to produce?' is considered as one of the problems of an economy. (True / False)
 - A monopolistically competitive market is said to exist when a large number of sellers sell closely related goods (True / False)
 - A unit of capital equipment once employed, is unalterable in the short run (True / False)
 - The value of MPC (Marginal Propensity to Consume) is greater than _____ but less than one
 - (vi) Returns to scale refers to _____ analysis of production
 - In a competitive market, firms characterized by few sellers and many buyers are known as _____ firms.
 - As a country's population increases, we expect that the rent of land will increase (True / False)
 - (x) If the value of MPC (Marginal Propensity to Consume) is 0.75, then the value of the investment multiplier will be _____
 - Perishable agricultural product industries closely resemble the perfectly competitive market (True / False)
 - The marginal physical product of capital is the addition to the total physical product generated by adding a unit of capital to production (True / False)

Group-B (Short Answer Type Question)*Answer any three of the following*[5 x 3 = 15]

- 2. Elaborate on various factors that influence the elasticity of demand for a commodity [5]
- 3. Distinguish between monopoly and monopolistic competition [5]
- 4. Calculate income elasticity of demand when the demand function is $Q = 100 - 10P + 0.5M$ where P is the per unit price and M is the income of the consumer. Assume that P = Rs. 7 and M = Rs. 50 [5]
- 5. What do you mean by factor price? [5]
- 6. Distinguish between nominal wage and money wage [5]

Group-C (Long Answer Type Question)*Answer any three of the following*[15 x 3 = 45]

- 7. (a) State and explain the law of variable proportions with a graphical presentation [10]
(b) Why do profit-maximizing firms always prefer to produce in stage – II? [5]
- 8. (a) Write a short note on Price Discrimination [5]
(b) Write a short note on the Kinked Demand Curve [5]
(c) Compare Perfect Competition and Monopolistic Competition [5]
- 9. (a) Explain the Short-run and long-run equilibrium of a monopolist firm with the help of diagrams [10]
(b) Why does monopoly arise? [5]
- 10. (a) State and explain the Ricardian theory of rent [10]
(b) How does the Ricardian theory be different from the Modern theory of rent [5]
- 11. (a) What are the different methods of measuring the National income of a country? [6]
(b) What are the major difficulties generally faced by the statisticians in carrying out the calculation of national income? [4]

(c) Calculate national income by income method and expenditure method from the following information:

[5]

Items	RS. (In crores)
Profit (P)	200
Private final consumption expenditure (c)	440
Govt. final consumption expenditure (G)	250
Compensation of employees (w)	350
Gross Domestic Capital Formation (I)	90
Interest (Int)	80
Net Export (X - M)	-20
Rent (R)	70
Net Factor Income from Abroad (NFIA)	50
Net Indirect Tax (IT)	60

<https://www.makaut.com>

Whatsapp @ 9300930012

Send your old paper & get 10/-

अपने पुराने पेपर्स भेजे और 10 रुपये पायें,

Paytm or Google Pay से

<https://www.makaut.com>