

FM

FIRST MID TERM TEST - 2023 Time : 1.30 Hrs

12 - Std

ECONOMICS

Marks : 45

PART - A**I Answer all the questions.**

1. Macro Economics is a study of 10 X 1 = 10
 a) Individuals b) Firms c) A Nation d) Aggregates
2. A steady increase in general price level is termed as a) Wholesale price Index
 b) Business cycle c) Inflation d) National Income
3. Indicate the contribution of JM Keynes to economic
 a) Wealth of Nations b) General theory c) Capital d) Public finance
4. National income is a measure of the performance of an Economy
 a) Industrial b) Agricultural c) Economic d) Consumption
5. The basic concept used in Keynes theory of employment and income is
 a) Aggregate demand b) Aggregate supply
 c) Effective demand d) Marginal propensity consume
6. Per capita income is obtained by dividing the National income by
 a) Production b) Population of a country c) Expenditure d) GNP
7. GNP = + Net factor income from abroad
 a) NNP b) NDP c) GDP d) Personal income
8. The component of aggregate demand is a) Personal demand
 b) Government expenditure c) Only export d) Only import
9. The multiplier tells us how much changes after a shift in
 a) Consumption, income b) investment, output
 c) savings, investment d) output, aggregate demand
10. When investment is assumed autonomous the slope of the AD schedule is determined by the
 a) Marginal propensity to invest b) Disposable income
 c) Marginal propensity to consume d) Average propensity to consume

PART - B**II Answer any four.**

4 X 2 = 8

11. Define the term 'Inflation'.
12. List out the assumptions of Say's law.
13. Define GDP deflator.
14. What is effective demand?
15. Define average propensity to consume (APC).
16. Define Multiplier.

PART - C**III Answer any four.**

4 X 3 = 12

17. Indicate the demerits of Socialism.
18. List out the uses of National Income.
19. What do you mean by aggregate demand? Mention its components.
20. Explain about aggregate supply with the help of diagram.
21. State the propositions of Keynes's Psychological law of consumption.
22. Differentiate autonomous and induced investment.

PART - D**IV Answer any three.**

3 X 5 = 15

23. Illustrate the functioning of an economy based on its activities.
24. What are the difficulties involved in the measurement of National Income?
25. Describe the types of unemployment.
26. Explain the operation of the Accelerator.
27. What are the differences between MEC and MEI.
28. Narrate the equilibrium between ADF and ASF with diagram.