

**12 P**Reg. No. **First Mid-Term Test - 2019**

Time : 1.30 hrs.

**ECONOMICS**

Max. Marks : 50

**PART - A****I. Multiple choice questions. 11 x 1 = 11**

1. Identify the father of socialism.  
a) J.M. Keynes b) Karl Marx c) Adam Smith d) Samuelson
2. Identify the flow variable a) money supply b) assets  
c) income d) foreign exchange reserves
3. The financial year in India is.....a) April 1 to March 31  
b) March 1 to April 30 c) March 1 to March 16 d) January 1 to December 31
4. PQLI is the indicator of a) Economic growth b) Economic welfare  
c) Economic progress d) Economic development
5. In disguised unemployment, the marginal productivity of labour is a) zero b) one c) two d) positive
6. In Keynes theory, the demand for the supply of money are determined by.....a) rate of interest b) effective demand  
a) aggregate demand d) aggregate supply
7. Lower interest rates are likely to a) decrease in consumption  
b) increase cost of borrowing c) encourage saving d) increase borrowing and spending
8. The term MEC was introduced by  
a) Adam Smith b) J.M. Keynes c) Ricardo d) Malthus
9. As income increases, consumption will.....  
a) fall b) not change c) fluctuate d) increase
10. The basic distinction between  $M_1$  and  $M_2$  is with regard to  
a) post office deposits b) time deposits of banks c) saving deposits of banks d) currency
11. Find the odd one out :  
a) Boom b) Recession c) Recovery d) Inflation

**PART - B**

**II. Answer the following questions in one or two sentences.**  
**(Answer any 6 questions)** **6 x 2 = 12**

12. 'Circular flow of Income' - Define.
13. Define National Income.
14. Trace the relationship between GNP and NNP.
15. Give reasons for labour retrenchment at present situation.
16. What do you mean by propensity to save?
17. Define Accelerator.
18. Define Money.
19. What is plastic money? Give example.

**PART - C**

**III. Answer the following questions in one paragraph.**  
**(Answer any 4 questions)** **4 x 3 = 12**

20. Briefly explain the three sector circular flow model.
21. Differentiate between personal and disposable income.
22. List out the uses of national income.
23. Write short note on the implications of Say's law.
24. Explain any three subjective and objective factors influencing the consumption function.
25. What are the determinants of money supply?

**PART - D**

**IV. Answer the following questions in about a page**

**3 x 5 = 15**

26. a) Compare the feature among capitalism, secularism and mixedism. **(OR)**  
b) Explain the importance of national income.
27. a) What are the difficulties involved in the measurement of national income? **(OR)**  
b) Narrate the equilibrium between ADF and ASF with diagram.
28. a) Illustrate the working of multiplier. **(OR)**  
b) Describe the phases of Trade cycle.