

+1 ECONOMICS – (Model for Chapter 1)

Duration : 1:30 Hrs

Maximum Marks 45

Part A

I. Choose the best answer

(10 x 1 = 10)

1. The basic problem studied in Economics is

- a. Unlimited wants
- b. unlimited means
- c. Scarcity
- d. Strategy to meet all our wants

2. Author of “An Inquiry into the Nature and Causes of Wealth of Nations”

- a. Alfred Marshall
- b. Adam Smith
- c. Lionel Robbins
- d. Paul A Samuelson

3. Growth definition takes into account

- a. The problem of choice in the dynamic framework of Economics
- b. The problem of unlimited means in relation to wants
- c. The production and distribution of wealth
- d. The material welfare of human beings

4. Identify the correct characteristics of utility

- a. It is equivalent to ‘usefulness’
- b. It has moral significance
- c. It is same as pleasure
- d. It depends upon consumer’s mental attitude

5. ‘Economics is a study of mankind in the ordinary business of life’ -It is the statement of

- a. Adam Smith
- b. Lionel Robbins
- c. Alfred Marshall
- d. Samuelson

6. Which of the following is a microeconomics statement?
- The real domestic output increased by 2.5 percent last year.
 - Unemployment was 9.8 percent of the labour force last year.
 - The price of wheat determines its demand
 - The general price level increased by 4 percent last year.
7. Find the odd one out:
- “An inquiry into the nature and the causes of the Wealth of Nations”
 - “Principles of Economics”
 - “Nature and Significance of Economic Science”
 - “Ceteris paribus”
8. “Economics is a science” The basis of this statement is—
- Relation between cause and effect
 - Use of deductive method and inductive method for the formations of laws
 - Experiments
 - All of the above
9. Which one of the following is not a basic problem of an economy
- how to produce
 - for whom to produce
 - where to produce
 - what to produce
10. Alfred Marshall defines Economics as “Economics is a study of _____ in the ordinary business of life;
- scarce resource
 - animals
 - wealth
 - mankind

Part B

II. Write any five of the following questions (Q.N 16 is Compulsory) (5 x 2 = 10)

- What is meant by Economics?
- Define positive economics.
- Distinguish goods from services.
- Give the meaning of deductive method.

15. Define Paul Samuelson's definition of economics

16. What is a production possibility curve?

Part C

III. Write any five of the following questions(Q.N 22 is Compulsory)(5 x 3 = 15)

17. Explain the scarcity definition of Economics and assess it.

18. What are the important features of utility?

19. What are the basic problems of economics?

20. Elucidate different features of services.

21. Draw an equilibrium diagram

22. Write different types of goods with examples.

Part D

III. Write the following questions

(5 x 2 = 15)

23.a. Compare and contrast various definitions of Economics.

(or)

b. Elaborate the nature and scope of Economics.

24.a. Explain various divisions of Economics.

(or)

b. Explain basic problems of the economy with the help of production possibility curve.

+1 Economics (Model - Portion : Ch 2, 3 & 4)

Duration 2.30 Hrs

Max Marks : 90

Section A

I. Answer all the questions

(20 x 1 = 20)

1. Pick the odd one out

- a. Luxuries
- b. Comforts
- c. Necessaries
- d. Agricultural goods

2. Marginal Utility is measured by using the formula of

- a. $TU_n - TU_{n-1}$
- b. $TU_n - TU_{n+1}$
- c. $TU_n + TU_{n+1}$
- d. $TU_n - TU_{n+1}$

3. Choice is always constrained or limited by the _____ of our resources.

- a. Scarcity
- b. Supply
- c. Demand
- d. Abundance

4. The chief exponent of the Cardinal utility approach was

- a. J.R.Hicks
- b. R.G.D.Allen
- c. Marshall
- d. Stigler

5. The concept of elasticity of demand was introduced by

- a. Ferguson
- b. Keynes
- c. Adam Smith
- d. Marshall

6. Increase in demand is caused by

- a. Increase in tax
- b. Higher subsidy
- c. Increase in interest rate
- d. decline in population

7. The movement on or along the given demand curve is known as_____

- a. Extension and contraction of demand.
- b. shifts in the demand.
- c. increase and decrease in demand.
- d. all the above

8. In case of relatively more elastic demand the shape of the curve is

- a. Horizontal
- b. Vertical
- c. Steeper
- d. Flatter

9. The primary factors of production are:

- a. Labour and Organisation
- b. Labour and Capital

- c. Land and Capital
- d. Land and Labour.

10. The man-made physical goods used to produce other goods and services are referred to as.

- a. Land b. Labour
- c. Capital d. Organization.

11. Formula for calculating AP is

- a. $\Delta TP/N$
- b. $\Delta TP/\Delta N$
- c. TP/MP
- d. TP/N

12. Which factor is called the changing agent of the Society

- a. Labourer
- b. Land
- c. Organizer
- d. Capital

13. The relationship between the price of a commodity and the supply of commodity is

- a. Negative
- b. Positive
- c. Zero
- d. Increase

14. If average product is decreasing, then marginal product

- a. must be greater than average product

- b. must be less than average product
- c. must be increasing
- d. both a and c

15. Cost refers to _____

- a. price
- b. value
- c. fixed cost
- d. cost of production

16. Cost functions are derived from _____ function.

- a. production
- b. investment
- c. demand
- d. consumption

17. Money cost is also known as _____ cost.

- a. explicit
- b. implicit
- c. social
- d. real

18. Explicit cost plus implicit cost denote _____ cost.

- a. social
- b. economic
- c. money
- d. fixed

19. Identify the formula of estimating average cost.

- a. AVC/Q
- b. TC/Q
- c. TVC/Q
- d. AFC/Q

20. Find total cost where $TFC=100$ and $TVC = 125$.

- a. 125
- b. 175
- c. 225
- d. 325

Section B

II. Write any of the following seven (Q.No30 is a compulsory) (7 x 2 = 14)

21. Define cost function.

22. What do you mean by fixed cost?

23. Define Revenue.

24. Classify the factors of production.

25. Define Labour.

26. State the production function.

27. Define Marginal Product of a factor.

28. What are conditions for producer's equilibrium?

29. What are Giffen goods? Why?

30. Write the formula of Cobb-Douglas production function.

III. Write any of the following seven (Q.No40 is a compulsory)(7 x 3 = 21)

31. Mention the relationship between marginal utility and total utility.
32. What are the factors governing elasticity of supply?
33. What are the functions of Entrepreneur?
34. Explain the concept of consumer's equilibrium with a diagram.
35. Explain the theory of "consumer's surplus" .
36. Briefly explain the concept of consumer's equilibrium.
37. Distinguish between fixed cost and variable cost.
38. State the differences between money cost and real cost.
39. Distinguish between explicit cost and implicit cost.
40. Bring out the Relationship among Total, Average and Marginal Products.

IV. Write all the questions

(7 x 5 = 35)

41. a. If total cost = $10 + Q^3$, find out AC, AVC, TFC, AFC when $Q=5$. (Or)
b. What are the difference between IC and IQ Curves? Explain with diagrams
42. a. Bring out the relationship between AR and MR curves under various price conditions.(or)
b. Examine the Law of Variable Proportions with the help of a diagram.
43. a. List out the properties of iso-quants with the help of diagrams. (or)
b. Elucidate the Laws of Returns to Scale. Illustrate.
44. a. Explain the internal and external economies of scale. (or)
b. Explain the law of demand and its exceptions.
45. a. Elucidate the law of diminishing marginal utility with diagram. (or)
b. Explain the law of Equi-marginal utility.
46. a. What are the methods of measuring Elasticity of demand? (or)

- b. Explain the factors of production with their characteristics
47. a. Discuss the short run cost curves with suitable diagram. (or)
- b. Give the meaning and explain MU, MC and MR with suitable formulae

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+1 Economics (Model for Portion : Chapter 5 & 6)

Duration 2.30 Hrs

Max Marks : 90

Section A**I. Answer all the questions****(20 x 1 = 20)**

1. In which of the following is **not** a type of market structure Price will be very high?

a. Perfect competition

b. Monopoly

c. Duopoly

d. Oligopoly

2. Equilibrium condition of a firm is.....

a. $MC = MR$ b. $MC > MR$

c. $MC < MR$ d. $MR = Price$

3. Which of the following is a feature of monopolistic competition?

a. One seller

b. Few sellers

c. Product differentiation

d. No entry

4. A firm under monopoly can earn in the short run.

a. Normal profit

b. Loss

c. Super normal profit

d. More loss

5. There is no excess capacity under

a. Monopoly

b. Monopolistic competition

c. Oligopoly

d. Perfect competition

6. 'Original and indestructible powers of the soil' is the term used by

- a.** J.S.Mill
- b.** Walker
- c.** Clark
- d.** Ricardo

7. The reward for labour is

- a.** rent
- b.** wage
- c.** profit
- d.** interest

8. Money wages are also known as

- a.** real wages
- b.** nominal wages
- c.** original wages
- d.** transfer wages

9. Residual Claimant Theory is propounded by

- a.** Keynes
- b.** Walker
- c.** Hawley
- d.** Knight

10. The reward given for the use of capital

- a.** rent
- b.** wage
- c.** interest
- d.** profit

11. Keynesian Theory of interest is popularly known as

- a.** Abstinence Theory

b. Liquidity Preference Theory

c. Loanable Funds Theory

d. Agio Theory

12. According to the Loanable Funds Theory, supply of loanable funds is equal to

a. $S + BC + DH + DI$

b. $I + DS + DH + BM$

c. $S + DS + BM + DI$

d. $S + BM + DH + DS$

13. The concept of meeting unexpected expenditure according to Keynes is

a. Transaction motive

b. Precautionary motive

c. Speculative motive

d. Personal motive

14. The distribution of income or wealth of a country among the individuals are

a. functional distribution

b. personal distribution

c. goods distribution

d. services distribution

15. Profit is the reward for

a. land

b. organization

c. capital

d. labour

16. The average revenue curve under monopolistic competition will be.....

a. Perfectly inelastic

b. Perfectly elastic

c. Relatively

d. Unitary elastic

17. Under perfect competition, the shape of demand curve of a firm is.....

a. Vertical

b. Horizontal

c. Negatively sloped

d. Positively sloped

18. In which market form, does absence of competition prevail?

a. Perfect competition

b. Monopoly

c. Duopoly

d. Oligopoly

19. Which of the following involves maximum exploitation of consumers?

a. Perfect competition

b. Monopoly

c. Monopolistic competition

d. Oligopoly

20. An example of selling cost is ...

a. Raw material cost

b. Transport cost

c. Advertisement cost

d. Purchasing cost

Section B

II. Write any of the following seven (Q.No30 is a compulsory) (7 x 2 = 14)

21. Mention the types of distribution.

22. Define 'Rent'.

23. Define Market.

24. What do you mean by interest?
25. Who is price-taker?
26. What is selling cost?
27. State the meaning of liquidity preference.
28. Mention any two types of price discrimination
29. Define “Excess capacity”.
30. Draw demand curve of a firm for the following: a) Perfect Competition b) Monopoly

III. Write any of the following seven (Q.No40 is a compulsory) (7 x 3 = 21)

31. Mention the similarities between perfect competition and monopolistic competition.
32. State the meaning of selling cost with an example.
33. What are the motives of demand for money?
34. What are the features of a market?
35. Specify the nature of entry of competitors in perfect competition and monopoly.
36. Describe the degrees of price discrimination.
37. List out the kinds of wages.
38. Distinguish between rent and quasi-rent.
39. Describe briefly the Innovation Theory of Profit.
40. Differentiate between ‘firm’ and ‘industry’.

IV. Write all the questions (7 x 5 = 35)

41. a. Illustrate price and output determination under Monopoly.
b. Explain modern theory of rent.
42. a. Explain price and output determined under monopolistic competition with help of diagram.
b. Describe the following. a) Standard of living theory of wages b) Wage fund theory
43. a. Explain the Keynesian Theory of Interest.
b. Bring out the features of perfect competition.

44. a. How price and output are determined under the perfect competition?
b. Describe the features oligopoly.
45. a. Explain the Marginal Productivity Theory of Distribution.
b. Write the classification of markets with their respective examples.
46. a. Illustrate the Ricardian Theory of Rent.
b. Explain the equilibrium conditions: a) Total cost approach b) Marginal Cost approach
47. a. Elucidate the Loanable Funds Theory of Interest.
b. Write the features of monopoly and sources of monopoly.
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