

C 43001

(Pages : 4)

Name.....

Reg. No.....

**SECOND SEMESTER (CUCBCSS—UG) DEGREE EXAMINATION  
APRIL 2023**

Economics

ECO 1C 01 AND ECO 2C 01—ESSENTIALS OF ECONOMICS—MICRO AND  
ESSENTIALS OF ECONOMICS—MACRO

(2017—2018 Admissions)

Time : Three Hours

Maximum : 80 Marks

**Part A**

*Answer all questions.  
Each question carries ½ mark.*

1. Welfare definition of economics is given by :
  - (a) Lionell Robbins.
  - (b) Alfred Marshall.
  - (c) J.M Keynes.
  - (d) Malthus.
2. Study of national income and contribution of different sectors to GDP is part of :
  - (a) Microeconomics.
  - (b) International Economics.
  - (c) Macroeconomics.
  - (d) None of the above.
3. When total utility declines, marginal utility is :
  - (a) Zero.
  - (b) Positive.
  - (c) Negative.
  - (d) Increasing.
4. Which of the following curve will be U shaped one ?
  - (a) Fixed cost.
  - (b) Total Variable Cost.
  - (c) Total Cost.
  - (d) Average Cost.
5. For production function, in the long run, all factors are :
  - (a) Fixed factors.
  - (b) Some are fixed and some are variable
  - (c) One factor is fixed, others are variable.
  - (d) All factors are variable factors.

**Turn over**

6. In the case of the law of demand, when prices increase, the quantity demanded will be :
- (a) Increasing. (b) Decreasing.  
(c) Remains unchanged. (d) None of the above.
7. The financial year of India is :
- (a) January 1 to 31<sup>st</sup> of December.  
(b) April 1 to 31<sup>st</sup> of March Next year.  
(c) June 1 to 31<sup>st</sup> of May next year.  
(d) None of the above.
8. Macroeconomics deals with :
- (a) National Income.  
(b) National Output and Aggregate Employment.  
(c) GDP and GNP.  
(d) All the above.
9. "Supply creates its own demand" is argued by :
- (a) Keynes. (b) Alfred Marshall.  
(c) Milton Friedman. (d) J.B. Say.
10. National income estimation in India is done by :
- (a) RBI. (b) CSO.  
(c) NSSO. (d) Ministry of Finance.
11. Which of the following is a stock variable ?
- (a) Capital. (b) Capital formation.  
(c) GNP. (d) National Income.
12. Who resolves the basic problems in a market economy ?
- (a) State. (b) IMF.  
(c) Market forces. (d) Through strikes and agitations .

(12 × ½ = 6 marks)

**Part B**

*Answer any ten questions.  
Each question carries 2 marks.*

13. State welfare definition of economics.
14. What is Macroeconomics ?
15. Explain the utility function.
16. Write on expansion and contraction of Supply.
17. What is meant by opportunity cost ?
18. Explain the equilibrium of Price and quantity.
19. Write a note on production function.
20. Explain NNP at Market Price.
21. What do you mean by a double-counting problem in national income estimation ?
22. Explain Laissez faire policy.
23. Distinguish between personal income and per capita income.
24. What is gross domestic saving ?

(10 × 2 = 20 marks)

**Part C (Paragraph Answer Questions)**

*Answer any six questions.  
Each question carries 5 marks.  
Answer should not exceed 100 words.*

25. Distinguish between GDP at Market Price and GDP at factor cost.
26. What is underemployment equilibrium?
27. Explain the Say's Law of market.
28. Write a note on effective demand concept of Keynes.
29. Explain the relationship between MC and AC with the help of a diagram.
30. What are the central problems of an economy ?

**Turn over**

31. Explain the importance of studying economics.
32. Explain the short-run production function.

(6 × 5 = 30 marks)

**Part D (Essay Questions)**

*Answer any **two** questions.  
Each question carries 12 marks.*

33. Explain the different types of elasticity of demand and supply with the help of diagrams.
34. Explain the Law of Returns to Scale.
35. Explain the major postulates of classical and Keynesian macroeconomics.
36. Explain the importance and difficulties in the estimation of national income.

(2 × 12 = 24 marks)

C 21907

(Pages : 3)

Name.....

Reg. No.....

**SECOND SEMESTER (CUCBCSS—UG) DEGREE EXAMINATION, APRIL 2022**

Economics

ECO 1C 01 AND ECO 2C 01—ESSENTIALS OF ECONOMICS - MICRO AND  
ESSENTIALS OF ECONOMICS - MACRO

(2016—2018 Admissions)

Time : Three Hours

Maximum : 80 Marks

**Part A***Answer all questions.**Each question carries ½ mark.*

1. Laissez-fair means :
  - a) State mediates economic activities.
  - b) State as a producer and supplier of essential commodities.
  - c) Non-intervention of state in economic activities.
  - d) State regulates prices of inputs and factors of production.
2. Disposable income means :
  - a) Income after tax.
  - b) Income plus direct tax.
  - c) Income after indirect tax.
  - d) Income after income tax.
3. “The General Theory of Employment, Interest and Money” is written by :
  - a) AdamSmith.
  - b) David Ricardo.
  - c) J.M. Keynes.
  - d) Milton Friedman.
4. Net National Product is estimated by after deducting :
  - a) Depreciation from GNP.
  - b) Appreciation from GNP.
  - c) Interest from GNP.
  - d) Factor rewards from GNP.
5. Classical Economics assumes :
  - a) Wage Price rigidity.
  - b) Downward rigidity of Wages and Prices.
  - c) Underemployment equilibrium.
  - d) Full employment.

**Turn over**

6. Value of elasticity of demand for a perfectly inelastic commodity :
- a) Zero.
  - b) One.
  - c) More than 1.
  - d) Less than 1.
7. Sacrificing cost is otherwise called :
- a) Variable Cost.
  - b) Fixed Cost.
  - c) Opportunity Cost.
  - d) Marginal Cost.
8. When total utility is maximum, marginal utility is :
- a) One.
  - b) Zero.
  - c) More than one.
  - d) Less than one.
9. All factors are variable factors in the case of :
- a) Law of Variable Proportion.
  - b) Law of Returns to Scale.
  - c) Law of Diminishing Marginal Utility.
  - d) Law of demand.
10. The want satisfying capacity of a commodity is called its :
- a) Demand.
  - b) Supply.
  - c) Quality.
  - d) Utility.
11. If the variable cost is zero, then the total cost is equal to :
- a) Variable cost.
  - b) Fixed cost.
  - c) Marginal cost.
  - d) Average cost.
12. Scarcity definition of economics is given by :
- a) Paul A. Samuelson.
  - b) Alfred Marshall.
  - c) Lionel Robbins.
  - d) J.M. Keynes.

(12 × ½ = 6 marks)

### Part B

*Answer any ten questions.  
Each question carries 2 marks.*

13. Note on personal income.
14. What is NNP at market price ?
15. What is GDP at market price ?

16. What do you mean by wage - Price rigidity ?
17. Explain the concept of effective demand.
18. Explain the full employment concepts of classical economics.
19. What is the national income ?
20. State the wealth definition of economics.
21. What is the law of demand ?
22. Write a note on the importance of studying economics.
23. Explain the relationship of economics with other disciplines of social sciences.
24. Explain the nature of the relationship between MC and AC.

(10 × 2 = 20 marks)

### Part C

*Answer any six questions.  
Each question carries 5 marks.*

25. Explain the law of supply. What are the determinants of supply ?
26. Explain the importance of estimating national income.
27. Explain the important national income concepts.
28. Distinguish the wage-price flexibility of classical economics and wage-price rigidity of Keynesian economics.
29. What is underemployment equilibrium of Keynesian economics ?
30. Explain the important concepts of National Income.
31. Elucidate the Keynesian criticism on the classical theory of employment.
32. Distinguish between underemployment and full employment equilibrium.

(6 × 5 = 30 marks)

### Part D (Essay Questions)

*Answer any two questions.  
Each question carries 12 marks.*

33. Explain the major classical macroeconomic postulates.
34. Explain the important Keynesian macroeconomic concepts and policy prescriptions.
35. Explain the short-run and long-run production functions.
36. Explain the various costs functions and the relationship between various costs.

(2 × 12 = 24 marks)

C 4232

(Pages : 3)

Name.....

Reg. No.....

**SECOND SEMESTER (CUCBCSS—UG) DEGREE EXAMINATION, APRIL 2021**

Economics

ECO 1C 01 AND ECO 2C 01—ESSENTIALS OF ECONOMICS-MICRO AND ESSENTIALS  
OF ECONOMICS-MACRO

Time : Three Hours

Maximum : 80 Marks

**Part A**

*Answer all questions.  
Each question carries ½ mark.*

1. The central problems in a market economy are tackled by :
  - a) Government.
  - b) Planning Authority.
  - c) Market mechanism.
  - d) Central Bank.
2. An economy cannot produce all goods and services because resources are :
  - a) Supplied by the government.
  - b) Central Planning Authority.
  - c) Scarce and limited.
  - d) Abundant and unlimited.
3. Demand curve varies :
  - a) Positively with price.
  - b) Not with price.
  - c) Not related to Price.
  - d) Inversely with Price.
4. Law of demand explains :
  - a) The direct relationship between demand and price.
  - b) The inverse relationship between demand and price
  - c) The direct relationship between demand and supply.
  - d) Negative relationship demand and utility.
5. Which of the following are complementary goods ?
  - a) Coffee and Tea.
  - b) Scooter and bicycle.
  - c) Toothpaste and brush.
  - d) Van and Jeep.
6. Creation of value is called :
  - a) Production.
  - b) Consumption.
  - c) Distribution.
  - d) Accumulation.

**Turn over**



7. Fixed costs are zero when output is :
- a) Rising
  - b) Maximum
  - c) Zero
  - d) Falling.
8. Income from the next best alternative is :
- a) Opportunity cost.
  - b) Alternative income.
  - c) Final Income.
  - d) Variable cost.
9. The possibility of underemployment equilibrium was put forward by :
- a) A.C.Pigou.
  - b) Adam Smith.
  - c) Alfred Marshall.
  - d) J.M. Keynes.
10. The law that supply creates its demand is associated with :
- a) David Ricardo.
  - b) Adam Smith.
  - c) T.R.Malthus.
  - d) J.B.Say.
11. GNP minus depreciation is :
- a) NDI.
  - b) GDP.
  - c) NNP.
  - d) SDP.
12. Laissez-faire means :
- a) The state regulates the economy.
  - b) State-controlled economy.
  - c) Non-intervention of state in economic affairs.
  - d) Maximum regulation of the state in economic affairs.

(12 × ½ = 6 marks)

### Part B

*Answer any ten questions.  
Each question carries 2 marks.*

13. Write on opportunity cost.
14. What is utility ?
15. Explain the scarcity definition of economics.
16. What is the elasticity of demand ?
17. Distinguish between GDP and GNP.
18. Define Variable Cost.
19. What do you mean by wage-price rigidity ?

20. What is meant by market equilibrium ?
21. What do you mean by saving and capital formation ?
22. Write the difference between marginal cost and average cost.
23. What are the determinants of demand ?
24. What is the importance of studying economics ?

(10 × 2 = 20 marks)

### Part C (Paragraph Answer Questions)

*Answer any six questions.*

*Each question carries 5 marks.*

*Answer should not exceed 100 words.*

25. Distinguish between micro and macroeconomics.
26. Explain the law of diminishing marginal utility.
27. Describe a market demand schedule and market demand curve.
28. Explain the methods of estimating elasticity.
29. Distinguish between GNP at market price and GNP at factor cost.
30. Explain the behaviour of fixed cost, variable cost and total cost with the help of a diagram.
31. Explain the major postulates of classical economics.
32. How are the central economic problems tackled in a market economy ?

(6 × 5 = 30 marks)

### Part D (Essay Questions)

*Answer any two questions.*

*Each question carries 12 marks.*

33. Explain the short-run and long-run production functions.
34. Discuss the central problems of an economy. How are they tackled by different economic systems ?
35. Explain the methods of calculating national income. Discuss the central problems of an economy. How are they tackled by different economic systems ?
36. Explain the various types of costs. Narrate relationship between various types of costs with the help of a suitable diagram.

(2 × 12 = 24 marks)

C 81866

(Pages : 4)

Name.....

Reg. No.....

**SECOND SEMESTER (CUCBCSS—UG) DEGREE EXAMINATION, APRIL 2020**

Economics

**ECO 1C 01 AND ECO 2C 01—ESSENTIALS OF ECONOMICS—MICRO AND ESSENTIALS OF ECONOMICS—MACRO**

Time : Three Hours

Maximum : 80 Marks

**Section A (Very Short Answer Questions)**

*Answer all six Questions from Part I and all six Questions from Part II.*

**PART I**

1. The study of the behavior of firms, individual markets, and households is called \_\_\_\_\_.  
(a) Behavioural Economics.                      (b) Welfare Economics.  
(c) Microeconomics.                              (d) Macroeconomics.
2. The market-clearing price is also called the \_\_\_\_\_ and is the price at which \_\_\_\_\_.  
(a) Prevailing price ; the supply and demand curve cross.  
(b) Prevailing price ; the supply curve crosses the y-axis.  
(c) Equilibrium price ; the supply and demand curve cross.  
(d) Special price ; the supply and demand curve cross.
3. The cost of producing 5 units is Rs. 567. The cost of producing 6 units is Rs. 768. The marginal cost of producing the sixth unit is \_\_\_\_\_.  
(a) Rs. 128.    (b) Rs. 113.  
(c) Rs. 201.    (d) Rs. 768.
4. A perfectly inelastic demand curve will be \_\_\_\_\_ on a graph while a perfectly elastic demand curve will be \_\_\_\_\_ on a graph.  
(a) vertical ; horizontal.                              (b) horizontal ; vertical.  
(c) vertical ; vertical.                                      (d) horizontal ; horizontal.
5.  $P \times Q =$   
(a) MC.    (b) TR.  
(c) MR.    (d) TC.

**Turn over**

6. Total costs equal \_\_\_\_\_.

- (a)  $MC + AC$  (b)  $FC + MC$   
(c)  $MC + VC$  (d)  $FC + VC$

PART II

7. Which of the following is GDP measured in actual market prices ?

- (a) Actual GDP. (b) Nominal GDP.  
(c) Potential GDP. (d) Real GDP.

8. If we have a Cobb-Douglas aggregate production function, the term "constant returns to scale" refers to the fact that :

- (a) Share of capital in production is always equal to the share of labor.  
(b) Marginal product of capital always equals marginal product of labor.  
(c) Share of capital and share of labor in production add up to one.  
(d) Total factor productivity is equal to one.

9.  $GDP =$

- (a)  $C + I + G + M$ . (b)  $C + G + X$ .  
(c)  $C + I + G + X$ . (d) None of the above.

10. Which of the following is NOT an issue in macroeconomics ?

- (a) Issues relating to the balance of payment.  
(b) The determination of prices in the agricultural sector.  
(c) The relationship between inflation and unemployment.  
(d) The possible effect of budget deficit increases on the level of investment.

11. In order to avoid \_\_\_\_\_, when calculating GDP, one should include only the final goods and exclude the intermediate goods that are used in the production process.

- (a) Inflation. (b) Statistical bias.  
(c) Double counting. (d) Value-added.

12. Transfer payments refer to \_\_\_\_\_.

- (a) Total number of inputs used in production.  
(b) Government payments to individuals not for goods or services supplied.  
(c) Capital that has been used in a year.  
(d) All of the above.

(12 × ½ = 6 marks)

**Section B (Very Short Answer Questions)**

*Answer any five questions from Part I and any five questions from Part II.*

**PART I**

13. Sociology.
14. Marginal Utility
15. Inelastic Demand.
16. Opportunity Cost.
17. Breakeven Point.
18. Increasing Returns to Scale.

**PART II**

19. laissez faire.
20. Wage-price Rigidity.
21. NNP.
22. NDP at Market Price.
23. Consumption.
24. Under-employment Equilibrium.

(10 × 2 = 20 marks)

**Section C (Very Short Answer Questions)**

*Answer any three questions from Part I and any three questions from Part II.*

**PART I**

25. What is the relationship between Psychology and Economics ?
26. Distinguish between the short run and the long run.
27. What is the difference between fixed and Variable costs ?
28. Illustrate the Law of Diminishing Marginal Utility with an appropriate schedule and graph.

**PART II**

29. Distinguish between GDP at Factor Cost and GDP at Market Price.
30. How do we arrive at Disposable Income from GNP ?

**Turn over**

31. Explain the Keynesian concept of Effective Demand.
32. Briefly explain the Cobb Douglas and CES production function.

(6 × 5 = 30 marks)

**Section D (Very Short Answer Questions)**

*Answer any one question from Part I and any one question from Part II.*

**PART I**

33. Write an essay on economies of scale faced by a plant.
34. Detail the basic economic problem faced by all economies and how they find solutions to it.

**PART II**

35. What are the difficulties faced in the estimation of National Income ?
36. Elaborate the major Classical postulates.

(2 × 12 = 24 marks)

**SECOND SEMESTER B.A. DEGREE EXAMINATION, MAY 2019**

(CUCBCSS—UG)

Economics

ECO 1C 01 ESSENTIALS OF ECONOMICS—MICRO

AND

ECO 2C 01 ESSENTIALS OF ECONOMICS—MACRO

Time : Three Hours

Maximum : 80 Marks

**Part A**

*Answer all questions.*

*Each question carries ½ mark.*

1. Among the subject matters of economics is \_\_\_\_\_.  
(a) Production. (b) Consumption.  
(c) Distribution. (d) All the above.
2. Human wants are :  
(a) Limited. (b) Scarce.  
(c) Unlimited. (d) Inadequate.
3. Cardinal utility analysis to consumer equilibrium was developed by :  
(a) Marshall. (b) Hicks and Allen.  
(c) Jeremy Bentham. (d) Adam Smith.
4. Total utility is maximum when :  
(a) Marginal utility is zero. (b) Marginal utility is maximum.  
(c) Marginal utility increases. (d) Average utility is maximum.
5. When individuals income rises his demand for a normal good ?  
(a) Rises. (b) Falls.  
(c) Remains the same. (d) Negative.

**Turn over**

6. Indifference curve is always :
- (a) Concave to the origin. (b) Convex to the origin.  
(c) L shaped. (d) A straight line.
7. Macro economics deals with :
- (a) General price level. (b) Total employment.  
(c) Economic aggregates. (d) All the above.
8. In classical theory the equality between saving and investment is brought about by :
- (a) Consumption. (b) Income.  
(c) Multiplier. (d) Rate of interest.
9. The slope of the consumption function is called :
- (a) MPC. (b) MPS  
(c) APC. (d) APS
10. Which one of the following is roughly equal to national income ?
- (a) GDP. (b) NNP.  
(c) SDP. (d) None of these.
11. Disposable Income does not include :
- (a) Excise duty paid. (b) Customs duty paid.  
(c) Income tax. (d) All of these.
12. The services of a house wife are :
- (a) Not part of Production. (b) A part of production.  
(c) A part of consumption. (d) Not a part of consumption.

(12 × ½ = 6 marks)

### Part B

*Answer any ten questions.  
Each question carries 2 marks.*

13. What is economics ?
14. What is meant by a function ?
15. Elucidate the Welfare Definition.
16. What is Consumption ?



17. Discuss the law of demand.
18. Describe the marginal cost.
19. Define the Disposable Income.
20. Distinguish between GDP and NDP.
21. What is the Say's Law of market.
22. Discuss Aggregate supply.
23. Explain the Intermediate goods.
24. What is the psychological law of consumption ?

(10 × 2 = 20 marks)

**Part C (Paragraph Answer Questions)**

*Answer any six questions.*

*Each question carries 5 marks.*

*Answer should not exceed 100 words.*

25. Examine the economics as a social science ?
26. Examine the problem of allocation of resources.
27. Compare and contrast the micro and macro economics.
28. Explain the law of diminishing marginal utility.
29. Explain the Importance of the estimation of national income.
30. Give an account of circular flow of income and expenditure.
31. Discuss the Components of aggregate demand.
32. Explain the significance of underemployment equilibrium.

(6 × 5 = 30 marks)

**Part D (Essay Questions)**

*Answer any two questions.*

*Each question carries 12 marks.*

33. What are the basic economic problems of an economy ? Explain.
34. Briefly examine the nature of Cost of Production.
35. Explain the various methods of Measurement of National Income.
36. What are the basic difference between Classical and Keynesian economic ideas ? Explain.

(2 × 12 = 24 marks)

**D 43298**

(Pages : 4)

Name.....

Reg. No.....

**SECOND SEMESTER B.A. DEGREE EXAMINATION, MAY 2018**

(CUCBCSS—UG)

Complementary Course

ECO 1C 01 ESSENTIALS OF ECONOMICS—MICRO AND ECO 2C 01 ESSENTIALS OF  
ECONOMICS—MACRO

Time : Three Hours

Maximum : 80 Marks

**Section A (Very Short Answer Questions)**

*Answer all six questions from Part I and all six questions from Part II.*

**PART I**

1. The three fundamental questions of economic organization are \_\_\_\_\_.  
(a) When, For Whom, How. (b) How, What, For Whom.  
(c) What, How, Whom. (d) What, Who, Why.
2. In a Cobb Douglass production function, when  $\alpha + \beta = 1$ , it means that there are :  
(a) Increasing returns to scale. (b) Constant returns to scale.  
(c) Diminishing returns to scale. (d) Decreasing returns to scale.
3. Which of the following formulas is correct ?  
(a)  $AVC = (TC - FC)/Q$ . (b)  $AVC = TC/Q$ .  
(c)  $AVC = FC/Q$ . (d)  $AVC = (MC*Q-FC)/Q$ .
4. When marginal cost is above average cost, average cost is \_\_\_\_\_ Marginal cost will cross average cost at the point where \_\_\_\_\_.  
(a) Decreasing ; AC is at its minimum. (b) Increasing ; AC is at its minimum.  
(c) Increasing ; AC is at its maximum. (d) Decreasing ; AC is at its maximum.
5. Which of the following is GDP at current prices ?  
(a) Nominal GDP. (b) Inflationary GDP.  
(c) Real GDP. (d) Value-Added GDP.
6. Which of the following is a variable cost in the short run ?  
(a) Rent on the factory.  
(b) Wages paid to factory labour.  
(c) Interest on borrowed financial capital.  
(d) Payment on the lease for factory equipment.

**Turn over**

## PART II

7. Subtracting depreciation from GDP yields \_\_\_\_\_.
- (a) Net Domestic Product.
  - (b) The GDP Deflator.
  - (c) Real GDP.
  - (d) Gross National Product.
8. Which of the following is a central issue in macroeconomics ?
- (a) deregulation of the banking industry.
  - (b) inflation of prescription drug prices.
  - (c) effect of excise taxes on consumer spending.
  - (d) Relation between inflation and unemployment.
9. Which of the following statements is inconsistent with Say's Law ?
- (a) Economy has flexible wages and prices.
  - (b) Economy has an environment of laissez faire.
  - (c) Economy will produce at the full employment level of output.
  - (d) Economy's level of investment spending depends solely on the level of income.
10. Which one of the following is unlikely to be an objective of macro-economic policy ?
- (a) Low tariff levels.
  - (b) Strong economic growth.
  - (c) Stable prices.
  - (d) Full employment.
11. We arrive at Personal Income (PI) from NNP by \_\_\_\_\_.
- (a) + Transfer Payments + Net Interest.
  - (b) + Transfer Payments – Net Interest.
  - (c) + Transfer Payments + Net Interest – Undistributed Profits.
  - (d) + Transfer Payments + Net Interest + Undistributed Profits.
12. In the 1930s the U.S. economy was in a recession. According to the Classical economists, which of the following should have occurred ?
- (a) Wages should have fallen which would cause more workers to be hired.
  - (b) Prices should have fallen which would increase consumer spending.
  - (c) Interest rates should have fallen increasing consumer and investment spending.
  - (d) All of the above should have occurred.

**Section B (Very Short Answer Questions)**

*Answer any five questions from Part I and any five questions from Part II.*

**PART I**

13. Political Science.
14. Total Utility.
15. Unit Elasticity.
16. Shut-down point.
17. Marginal Cost.
18. Decreasing Returns to Scale.

**PART II**

19. Wage-price flexibility.
20. Invisible Hand.
21. Under-employment Equilibrium.
22. Savings.
23. GDP at Factor Cost.
24. Per Capita Income.

(10 × 2 = 20 marks)

**Section C (Very Short Answer Questions)**

*Answer any three questions from Part I and any three questions from Part II.*

**PART I**

25. What is the relationship between History and Economics ?
26. Illustrate the Law of supply with an appropriate schedule and graph.
27. Distinguish between Microeconomics and Macroeconomics.
28. Explain the nature of relationship between Average and Marginal Cost.

**PART II**

29. Elaborate the Classical logic behind Say's Law.
30. What does the Keynesian concept of Effective Demand detail ?

Turn over

31. What is the nature of relationship between Consumption and Savings in Keynesian theory ?
32. How do we arrive at Disposable Income from GNP ?

(6 × 5 = 30 marks)

**Section D (Very Short Answer Questions)**

*Answer any one question from Part I and any one question from Part II.*

**PART I**

33. What are the different types of elasticity of Supply ?
34. Describe the various types of production function faced by a firm.

**PART II**

35. Detail the Classical concept of laissez faire, invisible hand, wage price flexibility and Say's law.
36. Explain in detail at least seven concepts related with National Income accounting.

(2 × 12 = 24 marks)

**SECOND SEMESTER B.A. DEGREE EXAMINATION, MAY 2017**

(CUCBCSS—UG)

Complementary Course

ECO 1C 01 AND ECO 2C 01—ESSENTIALS OF ECONOMICS—MICRO AND MACRO

Time : Three Hours

Maximum : 80 Marks

*Answers may be written either in English or in Malayalam.***Section A (Objective Type Questions)**

## PART I

*Answer all questions.**Each carries ½ mark.*

1. Basic reason for choice is :
  - (a) Rationality.
  - (b) Risk.
  - (c) Utility.
  - (d) Scarcity.
2. Who made the foundation to the modern theory of demand ?
  - (a) Stigler.
  - (b) Hicks.
  - (c) Marshall.
  - (d) Walras.
3. The production function is a relation between :
  - (a) Labour input to output.
  - (b) Cost to output.
  - (c) Value added to inputs.
  - (d) All the above.
4. Economies of scale mean a reduction in :
  - (a) Advertisement cost.
  - (b) Total cost.
  - (c) Unit cost.
  - (d) Marginal cost.
5. Which of the following is a rectangular hyperbola :
  - (a) ATC.
  - (b) AFC.
  - (c) AVC.
  - (d) MC.
6. Average cost is equal to :
  - (a)  $TFC/Q$ .
  - (b)  $TC/Q$ .
  - (c)  $TR-TC$ .
  - (d)  $TVC/Q$ .

(6 × ½ = 3 marks)

**Turn over**

## PART II

Answer all questions.

Each question carries  $\frac{1}{2}$  mark.

7. GDP is equal to :
- (a) Consumption+ investment + government expenditure.
  - (b) Consumption + investment + government expenditure +exports.
  - (c) Total final expenditure -imports.
  - (d) None of the above.
8. Equation of Exchange is associated with :
- (a) Pigou.
  - (b) J.B. Say.
  - (c) Alfred Marshall.
  - (d) Irving Fisher.
9. "Supply creates its own demand" is a law of :
- (a) Inflation.
  - (b) Investment.
  - (c) Consumption.
  - (d) Market.
10. The author of ' General theory of employment, interest and money is :
- (a) Adam Smith.
  - (b) Alfred Marshall.
  - (c) J.M Keynes.
  - (d) Ragnar Frisch.
11. The slope of the consumption function is defined as :
- (a) Non-income factor.
  - (b) The marginal propensity to consume.
  - (c) The average propensity to consume.
  - (d) None of these.
12. \_\_\_\_\_ is associated with the theory of multiplier.
- (a) Adam Smith.
  - (b) Malthus.
  - (c) Marshall.
  - (d) Keynes.

(6 ×  $\frac{1}{2}$  = 3 marks)

**Section B (Very Short Answer Type Questions)**

**PART I**

*Answer any five questions.*

*Each question carries 2 marks.*

13. Explain inter-relationship between Economics and other disciplines.
14. Distinguish between micro economics and macro economics.
15. Define marginal utility.
16. What is market and explain its various forms.
17. What is Law of Variable proportions ?
18. What is law of supply ?

(5 × 2 = 10 marks)

**PART II**

*Answer any five questions.*

*Each question carries 2 marks.*

19. Define GDP.
20. Distinguish between GNP at market price and factor cost.
21. Explain Theory of Equation of Exchange.
22. What is effective demand ?
23. What is Keynesian cross ?
24. Explain the Concept of Under-employment equilibrium.

(5 × 2 = 10 marks)

**Section C (Short Essay Questions)**

**PART I**

*Answer any three questions.*

*Each question carries 5 marks.*

25. Explain the concept of scarcity and choice in Economics.
26. Explain Law of Equi-marginal utility.
27. Explain any two methods of measuring price elasticity of demand.
28. Explain production possibility curve.

(3 × 5 = 15 marks)

**Turn over**



## PART II

*Answer any three questions.  
Each question carries 5 marks.*

29. Distinguish between national income and per capita income.
30. Explain Say's Law of Market.
31. Explain the Consumption function.
32. Write a note on the concept of Multiplier.

(3 × 5 = 15 marks)

## Section D (Essay Questions)

## PART I

*Answer any one question.  
The question carries 12 marks.*

33. Explain Law of diminishing marginal utility.
34. Briefly explain different concepts of costs.

(1 × 12 = 12 marks)

## PART II

*Answer any one question.  
The question carries 12 marks.*

35. Give a brief account of the theory of effective demand by Keynes.
36. Briefly explain the classical postulates of theory of output and employment

(1 × 12 = 12 marks)

C 83063

(Pages : 3)

Name.....

Reg. No.....

**SECOND SEMESTER B.A. DEGREE EXAMINATION, MAY 2015**

(CUCBCSS—UG)

Complementary Course

ECO 1C01 AND ECO 2C01—ESSENTIALS OF ECONOMICS—MICRO AND MACRO

Time : Three Hours

Maximum : 80 Marks

*Answer may be written either in English or in Malayalam.*

**Section A : Part I**

*Multiple Choice Questions.*

*Answer all questions.*

- The cost of the next best alternative forgone is called :
  - Nominal cost.
  - Real Cost.
  - Pecuniary cost.
  - Opportunity cost.
- A market structure, in which there is only single seller is called :
  - Monopsony.
  - Oligopoly.
  - Monopoly.
  - Duopoly.
- In a production function, if the increase in total output is less than proportional to increase in inputs, the returns to scale is said to be :
  - Constant.
  - Increasing.
  - Diminishing.
  - Indeterminate.
- The price elasticity of demand states that. *ceteris paribus*, if the change in quantity demanded is more than proportionate to change in price. then elasticity of demand is :

(a)  $\frac{\Delta Q/Q}{\Delta P/P} = 1$ , unity.

(b)  $\frac{\Delta Q/Q}{\Delta P/P} > 1$ , elastic.

(c)  $\frac{\Delta Q/Q}{\Delta P/P} < 1$ , inelastic.

(d)  $\frac{\Delta Q/Q}{\Delta P/P} = 0$ , perfectly inelastic.

5. When AC falls, MC :

- Is less than AC.
- Is more than AC.
- Cuts AC from below.
- Rises.

Turn over

6. Diversification of its products by a large Firm is an example of :
- (a) Technical economies. (b) Risk-bearing economies.  
 (c) Economies of indivisibility. (d) Marketing economies.

**Section A : Part II**

*Answer all questions.*

7. MPC is defined as :

- (a)  $C/Y$ . (b)  $\Delta C/\Delta Y$ .  
 (c)  $Y/C$ . (d)  $\Delta Y/\Delta C$ .

8. Nominal GNP measures output at :

- (a) Current price. (b) Constant price.  
 (c) Factor price. (d) None of these.

9. GNP—Depreciation is :

- (a) NDP. (b) NNP.  
 (c) Disposable Income. (d) Per-capita Income.

10. In an equation  $\Delta Y = \Delta C + \Delta S$ , where  $\Delta C = 150$ ; and  $\Delta S = 50$ ; the MPS is :

- (a) 0.25. (b) 0.50.  
 (c) 0.75. (d) 1.

11. Which among the following the book written by J.M. Keynes ?

- (a) Principles of Economies. (b) General Theory.  
 (c) Wealth of Nations. (d) Treatise on Depression.

12. The multiplier and MPS are :

- (a) Directly related. (b) Inversely related.  
 (c) Indeterminate. (d) Not related.

(12 × ½ = 6 marks)

**Section B : Part I**

*Very Short Answer Type Questions.*

*Answer any five questions.*

13. Distinguish between micro and macro economics.  
 14. What is utility function ?  
 15. State the law of demand.  
 16. What is a supply schedule ?

17. Define cross elasticity of demand.
18. What is an isoquant ?

**Section B : Part II**

*Answer any five questions.*

19. Define per-capita income.
20. Define multiplier.
21. Define GDP.
22. Write a note on income method of National Income estimation.
23. Distinguish linear and non-linear consumption function.
24. What is meant by full employment ?

(10 × 2 = 20 marks)

**Section C : Part I**

*Short Essay Questions.  
Answer any three question.*

25. What are the classifications of market ?
26. Explain homogeneous production function.
27. Distinguish between arc elasticity and point elasticity.
28. What are economies of scale ?

**Section C : Part II**

*Answer any three questions.*

29. Distinguish NNP at market price and NNP at factor cost.
30. In an equation  $\Delta Y = \Delta C + \Delta I$ , where  $\Delta C = 150$ ; and  $\Delta I = 50$ ; Find the investment multiplier K, MPC and MPS.
31. Explain under-employment equilibrium.
32. Illustrate Effective Demand.

(6 × 5 = 30 marks)

**Section D : Part I**

*Essay Questions.  
Answer any one question.*

33. Describe equi-marginal utility theory.
34. Explain price elasticity of demand. Bring out its various types.

**Section D : Part II**

*Answer any one question.*

35. Explain Say's Law of market. Bring out its implications.
36. Describe Keynesian theory of consumption function.

(2 × 12 = 24 marks)