

1. The branches of the subject Economics is _____.
 - a) Wealth and welfare
 - b) production and consumption
 - c) Demand and supply
 - d) micro and macro
2. _____ is another name for economics.
 - a) Political economy
 - b) Socialist economy
 - c) Capitalist economy
 - d) Planned economy
3. According to classical theory, rate of interest is a reward for ____
 - a) Investment
 - b) Demand
 - c) Capital
 - d) Saving
4. 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
5. 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
6. Lowering the Bank rate off sets _____ tendencies.
 - a) Deflationary
 - b) Inflationary
 - c) Stagflationary
 - d) Hyper inflationary
7. The headquarters of ASEAN is _____.
 - a) Jaharta
 - b) New Delhi
 - c) Colombo
 - d) Tokyo
8. _____ the state is all powerful in preparation and implementation of the plan.
 - a) Centralized planning
 - b) Planning by direction
 - c) Indicative planning
 - d) Imperative planning
9. In a socialist economy, all decisions regarding production and distribution are taken by _____.
 - a) market forces
 - b) central planning authority
 - c) customs and traditions
 - d) private sector
10. Net National product at factor cost is also known as _____.
 - a) National Income
 - b) Domestic Income
 - c) Per Capita Income
 - d) Salary
11. The multiplier tells us how much _____ changes after a shift in _____.
 - a) Consumption, income
 - b) investment, output
 - c) savings, investment
 - d) output, aggregate demand
12. Fixed Deposits are otherwise known as _____.
 - a) Bank Deposits
 - b) Customer's Deposits
 - c) Time Deposits
 - d) Money Deposits

13. Environmental goods are _____.
 - a) Market goods
 - b) Non-market goods
 - c) Both
 - d) None of the above
14. Expansion of NITI Aayog?
 - a) National Institute to Transform India
 - b) National Institute for Transforming India
 - c) National Institution to Transform India
 - d) National Institution for Transforming India
15. _____ is also known as Disposable Personal Income.
 - a) Personal Income
 - b) Disposable Income
 - c) Consumer Income
 - d) Product Income
16. State whether the statements are true or false.
 - (i) Keynesian theory is -- Aggregate demand – Aggregate supply approach, Saving – Investment approach.
 - (ii) This approach explained the determination level of Income and employment.
 - a) Both (i) and (ii) are true
 - b) Both (i) and (ii) are false
 - c) (i) is true but (ii) is false
 - d) (i) is false but (ii) is true
17. Balance of Trade means _____.
 - a) Import and export of invisible items only
 - b) Import and export of both visible and invisible items
 - c) Import of visible items only
 - d) Import and export of visible items only
18. Which of the following is correctly matched:
 - a) SDR - Special Drawing Rights
 - b) IMF - India Monetary Fund
 - c) BOP - Balance of Price
 - d) BOT - Balance of Technology
19. The word budget has been derived from the French word "bougette" which means _____.
 - a) A small bag
 - b) An empty box
 - c) A box with papers
 - d) None of the above
20. Assertion (A): Canons of Taxation are Economical, Equitable, Convenient, Certain Efficient and Flexible.
Reason (R): Adam Smiths four canons of taxation are Canon of Ability, Canon of Certainty, Canon of Convenience, Canon of Economy.
 - a) Both 'A' and 'R' are true and 'R' is the correct explanation to 'A'
 - b) Both 'A' and 'R' are true but 'R' is not the correct explanation to 'A'
 - c) 'A' is true but 'R' is false
 - d) 'A' is false but 'R' is true

II. Answer any 7 of the following: 7x2=14

21. Define Mixed Economy (or) Mixedism.
22. Explain briefly NNP at factor cost.
23. What is gold standard?
24. Define international trade.
25. Define Marginal Propensity to Save (MPS):
26. What is the meaning of Open Market Operations?
27. Who are "dialogue partner"?
28. Write the Accelerator Assumptions.
29. Write the meaning of Money supply.
30. Define World Trade Organisation.

III. Answer any 7 of the following: 7x3=21

31. Indicate the Merits of Socialism.
32. Write the statistical problems.
33. Explain Demand-pull and Cost push inflation.
34. Mention the objectives of ASEAN.
35. Specify the limitations of the multiplier.
36. Explain the uses of multiplier.
37. Write the TRIPs agreement.
38. Distinguish between CRR and SLR.
39. Write Adam Smith's theory of Absolute Cost Advantage Assumptions.
40. State and explain instruments of fiscal policy.

IV. Answer the following questions: 7x5=35

41. a) Explain the Importance of Factor Cost.
(or)
b) Critically explain Say's Law of market.
42. a) Explain briefly the Comparative Cost Theory.
(or)
b) Bring out the merits of indirect taxes over direct taxes.
43. a) Brief the linkage between economy and environment.
(or)
b) Explain the Aggregate Demand Function with diagram.
44. a) Illustrate the working of Multiplier.
(or)
b) Explain about Marginal Efficiency of Capital [MEC] short run factors and long run factors.

45. a) Describe the Types of Terms of Trade.

(or)

b) Explain the principles of federal finance.

46. a) What are the functions of NITI Aayog?

(or)

b) Briefly explain the objective factors of consumption functions.

47. a) Explain the Keynes psychological law of consumption assumptions.

(or)

b) Explain the methods of debt redemption.