

Or

If a consumer is consuming two goods A and B. What are the conditions of consumer equilibrium by IC approach? What changes will take place if conditions are not fulfilled to reach in equilibrium.

11. Explain the phase wise behaviour of TPP when firm changes one factor input keeping other as constant. State the causes behind each stage. use diagram and schedule.
12. Explain all changes that will take place in the market when.. if equilibrium price of a good is greater than market price if equilibrium price of a good is less than market price

Section B

13. What is investment demand function ?

Or

What is full employment ?

14. If primary deficit is Rs 100 cr and fiscal deficit is Rs 150 cr . what is interest payment?
15. Define ex anti consumption .
16. If exchange rate of Rs and dollar is too high . give one step to be taken by the RBI.
17. Describe the classification of money.

Or

Explain the process of credit creation by commercial bank. How will it effects the GDP of an economy?

18. Classify the following expenditure into revenue expenditure and capital expenditure. Give reason in support of your answer.

A. Expenditure on tax collection B. construction of building

19. Distinguish between factor income from abroad and factor income to abroad. State their components.

Or

Suppose in an economy GDPmp in a fiscal year was Rs 1000 cr , national income was Rs 2500 cr , net factor income paid by the economy to rest of the world was Rs . 100 cr and the value of net indirect taxes is Rs. 450 cr. Examine the value of consumption of fixed capital for the economy from the given data.

20. Distinguish between Devaluation and depreciation of domestic currency. Are they same ? State its impact on exports and imports of domestic economy. (*other option--- Distinguish between Revaluation and Appreciation of domestic currency. Are they same ? State its impact on exports and imports of domestic economy.*)
21. Drive a straight line saving curve using the following consumption function

$$C = 20 + 0.6 Y$$

Preasuming the income levels to be Rs. 100 , Rs. 200 and Rs. 300 curves..

Also calculate that level of income where consumption is equal to income

22. Explain national income determination through two alternative approaches.

Use diagram. (*other option--- Drive the two alternative conditions of expressing NY equilibrium show these equilibrium conditions on a single diagram*)

23. Calculate (a) operating surplus and (b) Domestic income

	(Rs in cr)
Compensation of employee	2000
Rent and interest	800
Indirect taxes	120
Corporation tax	480
Consumption of fixed capital	100
Subsidies	20
Dividend	940
Undistributed profits	300
Net factor income from abroad	150
Mixed income	200

Or

Giving reason state which of the following is included in national income

a. profit earned by Hyundai company from its branch in India.

b. Subsidies

c. rent paid by Russian embassy to resident of India located in New Delhi.

24. A. How does central bank intervene in the foreign exchange market?

B. How lending to abroad affects the exchange rate of domestic country.

Additional questions of SET II and III

1. Define AR . show that AR and price are same.
2. Explain the concept of O.C and MOC . use PPC
3. Explain the relationship between price of other goods and demand for a commodity.
4. Why a firm is price taker under perfect competition and price maker under monopoly and monopolistic market.
5. Market for a good is in equilibrium. What is the effect on equilibrium price and quantity if -----
 - a. increase in dd is greater than increase in supply
 - b. increase in demand is less than increase in supply
 - c. increase in demand is equal to increase in supply

Other option – a. decrease in demand is greater than decrease in supply

d. decrease in demand is less than decrease in supply

e. decrease in demand is equal to decrease in supply
6. Distinguish between current account and capital account of BOP .
7. Distinguish between consumer goods and capital goods. which of these are final good and why ?
8. Explain the components of government budget.

Sample paper 2**SET I****General instructions as per sample paper 1****Section A**

1. Find out the odd one _ _ _
 A Resources are given B Allocation of resources is a central problem
 C Wants are unlimited D Resources have alternative use
2. How MPP is calculated from TPP?
3. Opportunity cost includes
 A Explicit costs only B Implicit costs only
 C Variable costs only D Both Explicit and Implicit costs
4. What happens to AR if TR is constant ?

Or

Define Marginal revenue.

5. " PPC is Slopped downward (Or Concave) "Explain.

Or

What is the impact of efforts of government towards reducing unemployment on the PPC of India?

6. How does change in income of buyer will effect the demand for a commodity
7. A 20% fall in the price of a commodity decrease its supply from 340 units to 300 units. calculate its price elasticity of supply. comment
8. Define MC . How is it related with TVC / ATC. use diagram.
9. Explain the implications of " free entry and exit" feature of perfect market.

Or

Why is the number of firms are small under oligopoly competition?

10. A consumer is consuming 2 goods. the prices of two goods are Rs 5 and Rs 4 respectively. the consumers income is Rs 40
 - a. How much of good1 can he consume if he spend his entire income on the good1
 - b. Give the equation of the budget line;
 - c. How much of the good 2 can he consume if he spends his entire income on that good2
 - d. What is the slope of budget line
11. If $MR = MC$, and MC is falling is it condition of firm's equilibrium? explain with suitable rationale. use diagram
12. If income of buyer increase. how will it effects the equilibrium price and quantity of inferior goods? explain the mechanism

Or

Distinguish between price ceiling and price flooring. why are these imposed by the government.? state their consequences/ effects

Section B

13. Out of the followings which is not the part of money supply...
- A. Currency
 B. Demand deposits.
 C. Interbank deposits
 D. none of these
14. If MPC is 0.8, the value of K will be
- A. 3
 B. 2
 C. 5
 D. 4
15. Give meaning of induced investment.
16. Give two examples of planned expenditure of government.

Or

What is foreign exchange market ?

17. Explain the problem of **measure of value** barter system.

Or

Explain the **bankers bank** function of central bank .

18. How does the government budget is useful in reduction in inequality of income.
19. Distinguish between intermediate good and final goods. why are intermediate goods not included in national income ?

Or

Define real GDP. How is it different from Nominal GDP. Out of these two which is the true indicator of growth?

20. " Balance of payment is always balanced" justify.
21. Explain the steps of derivation of saving functions from consumption function . Use diagram.
22. Giving the consumption function $C = 100 + 75Y$, and investment expenditure is Rs. 1000, calculate
- a. Equilibrium level of national income
- b. Consumption expenditure at equilibrium level of income
23. A. Explain the impact of fall (rise) in exchange rate on national income of domestic economy?
- B. What are the basis used to classify the the budgetary expenditure into revenue expenditure and capital expenditure?
24. Calculate a NDPmp by Income method and Expenditure method

(Rs. In Cr)

COE	1200
Net Exports	(-) 20
Mixed income	140
Interest on national debt	5
PFCE	255
GFCE	40

Sample Paper 3**SET I****General instructions as per sample paper 1****Section A**

1. Define transformation curve.

Or

Why PPC is called opportunity cost curve?

2. TP of applying 4 units of variable input is 100 units, if TP of 6 units is 130 units, then MP will be...

a. 10 b. 30 c. 40 d. 0

3. Give two examples of Fixed costs.

4. AR curve of a firm is downward sloping under

a. perfect market b. monopoly only c. both b and d
d. monopolistic market

5. Define Increasing MRT. What does it indicates along PPC?

Or

Explain the central problem related to distribution of product. give example.

6. Distinguish between increase in demand and increase in quantity demanded. give two reason behind increase in demand.

7. Price of a commodity falls from Rs 10 per unit to Rs 8 per unit, but the demand remain same. calculate price elasticity of demand of the good. comment on the shape of dd curve.

8. Distinguish between explicit costs and implicit costs. give two examples of each.

Or

Draw ATC / TC and MC in a single diagram. how they looks like? state their behaviour

9. Explain heavy interdependency function of oligopoly.

10. Explain the concept of diminishing marginal utility MRS_{xy} with the help of numerical example. what happens if MRS_{xy} is greater than P_x/P_y ?

11. Answer all the questions in term of shift or movement along the supply curve

a. decrease in the price of a commodity
b. effect of improvement in technology
c. ban on the cigarette smoking in the public place.

Or

From the following data find out the level of output at which a firm will attain its equilibrium. Give reason in support of your answer. Also find out the profit at equilibrium level of output.

Q:	1	2	3	4	5	6
AR:	12	2	12	12	12	12
TC:	14	26	35	52	64	70

12. Giving reason state whether the following statements are true or false

- i. A Monopolist can sell any quantity he likes at a price
- ii. When equilibrium price of a good is less than market price, there will be competition among to buyer.

section : B

13. Define central bank.

Or

Define demand deposits.

14. AD can be increase by

- a. increase in bank rate
- b. selling of government securities.
- c. none of these
- d. increase in CRR

15. Give meaning of exanti savings and investment

16. Find out the odd one

- a. Tax
- b. Escheat
- c. Fine
- d. Borrowings

17. Explain the “ **Bank of government**” function of the central bank ..

Or

Define money supply. Explain its components .

18. Distinguish between direct tax and indirect tax. give two examples of each

19. What are official reserve transactions. Explain teir significance in BOP account.

20. If the real GDP is Rs. 300 and nominal GDP is Rs 430 . Calculate price index. (base)

Or

Production of economy friendly product is beneficial for an economy.

Explain this fact in the light of real GDP as an indicator of welfare.

21. Explain why public goods should be provide by the the Government/

22. How S-I approach s derived from the AD-AS approach of income determination. Use image. What happens in economy if $S < I$.

23. **A.** Giving reason state whether the following transactions are recorded in BOP and on which side

- i. Charity to foreign country
- i. Investment from abroad. State their impact on exchange rate.

B. Draw C and S curve in a single diagram and mark the point at which APS is negative , $APC = 1$ and $APC < 1$

24. Calculate national income from the followings by using income method and production method

Items	(Rs in cr)
GVamp of primary sector	300
PFCE	750
CFC	150
NIT	120
GVamp of secondary sector	200

NDFCF	220
Change in stocks	(-)20
GVAMP OF TERTIOry sector	700
NEt imports	50
GFCE	150
NFY from ab	10
	Or

Define double counting . why should it be avoided. explain the methods used to avoide it?

Additional questions of SETII and III

1. What is the impact of followings on PPC
 - i. Efforts of education for all
 - ii. Introduction of yoga
 (Options -- Skill development programme , Fall in exports , Introduction of GST and Demonetization)
2. Distinguish between individual demand and market demand.
3. Define TVC. Explain the behaviour of TVC as output increase
4. Giving example explain the meaning of costs in economics.
5. What is relation between TC and TVC, if TFC is zero.
6. What happens o the difference between ATC and AVC as production increase. Can they join..
7. Equilibrium price of an essential medicine is too high. Explain what possible steps can be taken to bring down the equilibrium price but only through the market forces. Also explain theseries of changes that will occurs in the market.
8. Explain the meaning of deficit in BOP.
9. If in an economy an increase in investment leads to increase in national income which is 4 times the increase in investment , calculate MPC.
10. Distinguish between fixed and flexible exchange rate. State two merits and demerits of each.



Sample Paper 4 SET I

General instructions as per sample paper 1 Section A

1. What is an economy ?

Or

What is monotonic preference ?

2. Define returns to a factor.

3. Find out the odd one

A. Wages B. Interest C. depreciation D. Profit

4. When AR is Rs 40 / units, and sale is 20 units, TR will be

A. Rs. 300 B. Rs 800 C. Rs 700 D. Rs. 500

5. Give two components of Macro economics .

Or

Distinguish between positive statement and normative statement. give one example of each.

6. "higher IC means higher utility". Justify. (~~other option-- why IC is convex to origin.~~)

7. When the price of a good is Rs. 8 per unit, a consumer buys its 15 units. when the price falls to Rs 6 per units he spends Rs. 80 on that good. calculate its price elasticity of demand by using proportionsl method. comment on the shape of demand curve

8. Define SMC, how is it related with AVC? Use diagram

Or

Compare the AR curve under monopoly and monopolistic market. use diagram

9. Explain the implications of "large number of buyer and seller" under perfect competition. use diagraam

10. Distinguish between change in quantity demanded and chnge in demand.. use numerical example.

11. How does the following changes affects the supply curve of a commodity.

a. Increase in excise duty

b. Decrease in price of substitute goods.

Or

By giving reason state whether the following statements are true or false-

a. TP always increase whether MP is increasing or decreasing

b. AVC always increase when MC is increasing

c.. With increase in output AFC falls continuously until it become Zero.

d. Under monopoly market firms AR curve is more elastic. than monopolistic market..

12. The . Market for a Normal good is in equilibrium. If demand for the good increase, explain it's chain effect on equilibrium price and quantity of Normal good.



Section B

13. The part of LRR kept by the banks themselves is called
 A. SLR B. CRR C. Bank Rate D. All of the above
14. Out of the following which is a monetary measures used to correct deficient AD
 A. Reduce government spending B. Increase in government spending
 C. Lower margin requirement D. All of the above
15. What is primary deficit ?
- Or
- Define depreciation of fixed assets
16. Explain the classification of money (*optional question-- Explain the drawback of "store of value" of Barter system*)
- Or
- Explain **issuance authority** of central bank.
17. Distinguish between revenue receipts and capital receipts in a government budget. Give two example of each.
18. GDP does not always leads to an increase in economic welfare. There are certain limitations of using GDP as an indicator of economic welfare, Explain any two.
- Or
- Giving reason classify the following into IC and final goods
 A Fee paid to a lawyer by the firm/ producer
 B. Milk purchased by the household/ hotel
19. When the price of the foreign currency falls (**Optional--rise**) the supply of that currency also falls(**Optional--rise**). explain , why?
20. Distinguish between deflationary gap and inflationary gap. Use diagram.
21. Explain the role of government budget in allocation of resources (**option--- how can government play the role through the budget in influencing the allocation of resources**) .
22. A. Distinguish between revenue deficit and fiscal deficit. What does revenue deficit (fiscal deficit) indicates/measures
 B. Define Appreciations of domestic currency. Explain it's effect on exports and imports of domestic economy.
23. Define Excess AD (Deficient AD) . How does the followings used to combat (correct) this situation.
 A. Bank rate, B Reserve ratio, (**Optional-- OMO, MRL Govt. Expenditure**)
24. From the following data calculate NY by Income method and Expenditures method
 (Rs in Cr)
- | | |
|---------------------------|------|
| Current transfer from row | 100 |
| GFCE | 1000 |
| Wages and salaries | 3800 |



Dividend	500
Rent	200
NDF	500
Profits	800
Employers contribution in ss	200
Net exports	(-)50
NFY from abroad	(-)30
CFC	40
PFCE	4000
NIT	300

(Ans= Rs. 5120 Cr)

Or

How are the followings treated while estimating expenditure on GDP/ give reason in support of your answer.

- A. Expenditure incurred on purchase of the second hand goods from abroad.
- B. Purchase of new shares of a company.
- C. Expenditure by a shopkeeper on purchase of garments from a garment Manufacturer

Additional questions of set II and III

1. Distinguish between individual demand schedule and market demand schedule
2. What are the implications of **barriers of entry** of new firms (option --- few number of firms) under oligopoly .

Or

Explain the implications of **non price competition** under monopolistic competition .

3. What happens to MRS_{xy} when consumer moves downward along the IC. Give reason for your answer.
4. Government have started spending more on providing free services like education and health to the poor explain economic value it reflects.
5. What does Primary Deficit and Revenue Deficit indicates?
6. Explain the impact of externalities on use of GDP as an index of welfare of the people.
7. Distinguish between BOT and BOP , and BOT - current account.
8. Explain the meaning of full employment equilibrium. Explain two measures by which full employment equilibrium be reached
9. Define investment multiplier. Explain the working of investment multiplier with the help of numerical example.
10. Government spends on child immunization programme. Analyse its impact on \gdp and welfare of people.
11. Sale of petrol and diesel vehicle/ cars is rising particularly in big cities. Analyse its impact on GDP and welfare of people

Sample Paper 5 SET I

General instructions as per sample paper 1

Section A

1. When an economy operate on PPC, it indicates.
 - A. Potential output is equal to actual output.
 - B. Potential output < actual output.
 - C. Potential output > actual Output
 - D. None of these
2. Stage of negative returns sets when
 - A. MP is decreasing, B. MP is rising
 - C. MP is negative D. .MP is constant

Or

What is producer equilibrium ?

3. The ATC of producing units is Rs. 5 is Rs. 40 and minimum, the MC of producing 5 units is
 - A. Rs. 20 B. Rs .40, C. .Rs 80, , D. Rs 30.
4. If sale increased from 4 to 5 units and TR increases from Rs 100 to Rs. 170 , then MR is
 - A. Rs 40 B. Rs. 60 C Rs. 70 D. Rs. 80
5. Distinguish between budget set and budget line.
6. Distinguish between perfect (homogeneous) oligopoly and imperfect(differentiated) oligopoly

Or

Distinguish between cooperative (Collusive) oligopoly and non cooperative (non-collusive) oligopoly. Give example of each

7. When price of a good rises from rs. 10 per unit to Rs.12 per unit , the producer supplies 10% more. calculate Es. comment on the shape of supply curve.
8. Define MPP. How is does change in MPP is related with change in APP?

Or

Complete the following table

Q:	4	5	6	7	8	
AC	--	6	--	--	--	
TC	36	-	--	42	40	--
MC	--	5	--	--	---	

9. What is excess dd (excess supply). Explain its chain effect on the market for a given Good..
10. By giving reason state whether the following statement are true or false-
 - A. A firm is said to be in equilibrium if $MR=MC$

20. Distinguish between autonomous items and accommodating items. Give the significance of the difference.
21. What is investment multiplier. how is it related with MPC. Give numerical example.
22. Define Deficient dd in the macro economics. how are thj folloings used in controlling this situations--.

A. Tax rates B. Public expenditure/investment

Or

The value of MPC is 0.6 and initial income in the economy is Rs. 100 cr. Prepare a schedule showing income , consumption and savings. Also show the equilibrium level of income by assuming autonomous investment of Rs 80 cr.

23. A. Define foreign exchsng. how does increase in FDI effects the exchange rate?

B. Distinguish between fixed exchange rate and flexible exchange rate . state two merits and demerits of each

24. From the following data calculate (a) GDPfc and (b) FY to ab

(Rs. In Cr.)

COE	800
Profits	200
Dividend	50
GNPmp	1400
rent	150
Interest	100
GDCF	300
NFCF	200
Change in stock	5
FY from ab	60
NIT	120

(GDPfc=Rs. 1300,cr FY to ab Rs 80)

Or

Explain briefly the steps taken in estimation of NY through the income method

(option- - **Expenditure method**). state any three precautions.

Additional questions of set II AND III

- By spending his entire income on 2 goods , a consumer finds that $mux/px < muy/py$. how will the consumer react.
- Define FC . give an example . Explain with reason the behavior of AFC as output increase. why is it so?
- Draw TR , MR, AR of a firm in a single diagram ---
 - which can sell any quantity of the good at given price(of a firm which is free to sell any quantity at a given price
 - which can sell more at less price

4. If demand for a good increase (or decrease). Explain the chain of effect on the equilibrium price and quantity of inferior / normal goods.

Note : In place of demand chain effect of change in supply may be asked

5. Explain the drawback of standard of deferred payment of barter system
6. Distinguish between developmental and non developmental expenditure give two examples of each.
7. Explain the concept of consumption function and saving function with the help of schedule and diagram.
8. FER in India is on rise (or fall) recently what impact is it likely to have on exports and imports of domestic economy. Suggest what steps should be taken by Central bank in this situation

Other Board's Optional Questions (2008-18)

1. What is the relation between MC and AC, if AC is constant.
2. Define costs. State the behavior of TFC, and TVC as output increased.
- ~~3. What is the relation between AR and MR?~~
4. A. Compare the AR curve of a firm under monopoly, monopolistic market and perfect market (or of a price taking and price making firm).
B. Why is the demand curve of a firm under monopolistic competition more elastic than under monopoly?
5. A. Explain what happens to the profit / loss in the long run, if the firm are free to enter and exit (leave) the industry.
B. Why do a firm not earn abnormal profits under perfect market in the long run?
C. Explain the feature/ implications of free entry and exit of firms under perfect competition.
6. When a firm is called as price maker and price taker?
7. Explain the implications of the heavy interdependency feature of oligopoly and selling costs features of monopolistic market.
8. Distinguish between stock and flow. Give two examples of each.
9. Distinguish between domestic product and national product. When can domestic product be more than national product.
10. Explain the circular flow of income.
11. Explain the evolution of money.
12. How money supply is controlled by the central bank.
13. When is an economy in equilibrium. Explain with the help of S-I functions. Also explain the changes that take place in an economy when economy is not in equilibrium?
14. Explain the changes that will take place when
AD is not equal to AS, S is not equal to I, C+I is not equal to AS
15. Explain the NY equilibrium determination through two alternative approaches. Use



diagram.

Or

Drive the 2 alternative conditions of expressing NY equilibrium. Show these equilibrium condition in a single diagram.

16. Explain how controlling money supply is helpful in reducing excess AD / deficient AD

17. Distinguish between MPC and APC. (or MPS and APS). Give numerical example.

18. Distinguish between

A. Ex anti savings and ex post savings ,

B. Ex anti investment and ex post investment

C. voluntary and involuntary unemployment.

Or

How taxation and subsidies can influence the allocation of resources

19. Difference between balanced budget and unbalanced budget.

20. What is the economic value of—

A. Jandhan yojna – credit creation –GDP and National Income

B. Expenditure on yoga popularization

C. Expenditure on producing public goods

D. Classify the following into RE and CE

21. Classify the followings into RR and CR

Commercial revenue , profit tax , Recovery of loans , borrowings , money received from sale of services by government , Disinvestment , Cess

22. State the three sources of each Revenue Receipts and Capital Receipts in government budget.

23. Which transactions determine BOT. When BOT is in deficit.

24. State the components of current account and capital account.

25. Give the meaning of BOT and current account of BOP account.

26. Distinguish between devaluation and depreciation (**option --revaluation and appreciation**) of domestic currency . state its impact on exports and imports of domestic country

27. Explain how is the deficit (surplus) in BOP is measured ? Explain

28. Giving reason explain the relation between forex rate and supply(demand) for forex.

29. How equilibrium exchange rate is determined under forex market.

30. What does the BOP account shows . State the structure of BOP account.

31. Explain the impact of the followings on exchange rate and national income

A. India has doubled the import duty on import B. Visit of foreign countries by Indian on rise C. .Incentive to exports promotion D. Lending to abroad E. Borrowing to abroad F. FDI from abroad / to abroad

32. Explained the meaning of managed floating (or managed flexible) exchange rate

33. How does central bank intervene in the foreign exchange market?

i. If exchange rate is too high , ii. If exchsng rate is too low

34. Define forex market . state its functions.
35. How does change in exports (or Imports) effects the AD in an economy
36. As a result of increase in investment national income rises by 500 cr. If propensity to consume is 0.75 , calculate the increase in investment.
37. Price elasticity of demand is (-)1. At a given price the consumer buys 60 units of the good. How many units will the consumer buy if the price falls by 10% ?
38. The price elasticity of supply of commodity is half of price elasticity of supply of commodity X. 16 percent rise in the price of X results in a 40 percent rise in its supply . if the price of Y falls by 8 percent , calculate the percentage fall in its supply.
39. In an economy equilibrium level level of income is Rs. 1200 cr. The ratio of MPC and MPS is 3 : 1 . calculate the additional investment needed to reach a new equilibrium level of income of Rs. 20,000 cr.
40. In an economy the ratio of APC and APS is 5: 3 . the level of income is Rs. 6000 cr. Calculate savings.
41. Given the national income is Rs. 80 cr and consumption expenditure is Rs 64 cr. Find out APS . when income rises to Rs 100 cr. And consumption expenditure to Rs 75 cr. What will be the APC and MPC?
42. When price of a good is Rs. 7 per unit a consumer buys 12 units. When the price falls to Rs 5 per unit he spend Rs72 on that good. Calculate price elasticity of demand by using the percentage method. Comment on the likely shape of demand curve based on this measure of elasticity.
43. When price of a commodity rises from Rs 10 per unit to Rs 12 per unit , its quantity demanded falls by 20 percent . calculate its price elasticity of demand. How much would be the percentage change in its quantity demanded , if the price rises from Rs 10 per unit to Rs 13 per unit ?
44. Distinguish between budget set and budget line.
45. In an economy if AD is less than full employment . how full employment equilibrium can be attained? Give measures to be taken by the government.
46. The “ deficient AD is equal to the amount by which investment is less than required to maintain full employment “. T/F. Justify.
47. Which of the features of monopolistic market separate it from perfect market?



