



SHAH'S ADVANTAGE TEST SERIES

A DIVISION OF "SHAH EDUCATIONAL ACADEMY"

B.COM, BAF, BMS, BBI, BFM, MCOM, CS, CPT, IPCC, Final CA.

H.O: Shop 5; 6 & 7, Hill Crest Society, 16th Road, Bandra (W), Mum: 50. Ph: 26051635

Branch : Avon Arcade, Shop No. A/ 121, 1st Floor. Vile Parle (W), Mum: 56. Ph: 9820418533

S.Y.J.C

Prelim No: 2

ECONOMICS

(2019 - 20)

24th Jan 2020,

Friday

Time: 3 hrs.

Marks: 80

Note:- (1) All question are compulsory; (2) Give tables / diagrams wherever necessary; (3) Figures to the right indicate full marks; (4) Answer to every question must be started on a new page.

Q. 1 A] Fill in the blanks with appropriate alternatives given in the bracket: (5)

(1) Rate of Interest on recurring deposit is _____.

- (a) Zero (b) Low (c) high (d) not given always

(2) Net Interest = Gross Investment - _____

- (a) Profit (b) Total earning (c) Depreciation (d) Net expenditure

(3) Cross elasticity for commodity Tea and Coffee is _____

- (a) positive (b) negative (c) zero (d) Infinite

(4) _____ is called as Father of Modern economics.

- (a) Marshall (b) Adamsmith (c) Keynes (d) Ragner Frisch

(5) In India _____ ministry is responsible for framing the budget of union government.

- (a) Finance (b) Agriculture (c) Industry (d) Labour

B] Match the following (5)

Group "A"	Group "B"
1. Primary Factor	a. Avoids double counting
2. Value added method	b. Labour
3. Monopoly of Note issue	c. Central Bank
4. Total Revenue	d. Direct demand
5. Capital Goods	e. Land
	f. Indirect demand
	g. Price × quantity demanded
	h. Factor cost method

C] State whether the following statements are True or False (6)

1. There is no government interference in Perfect Competition.
2. Non-Convertible Paper Money is legal Tender.
3. Price and Supply are inversely related.
4. Demand for electricity is composite demand.
5. There is no difference between Primary deposit and Secondary deposit of a Commercial Bank.
6. Cash reserve ratio affects the lending capacity of Banks.

[P.T.O.]

Q.2 (A) Define or Explain the concept (Any Three) (6)

1. Insurable risks
2. General equilibrium
3. Price elasticity of supply
4. Net National Product
5. Product differentiation
6. Reverse repo rate

B] Give reasons or Explain the following statement (Any Three) (6)

1. There is difference between utility and usefulness.
2. Size Population determines market demand.
3. Moral suasion is selective credit control instrument.
4. Pension is a transfer income.
5. Scope of micro economics is limited.
6. Autonomous consumption expenditure never be zero.

Q.3(A) Distinguish Between. (Any Three) (6)

1. Individual Supply and Market Supply
2. Surplus budget and Deficit budget
3. Slicing Method and Lumping Method
4. Metallic Money and Paper Money
5. GDP and GNP
6. Individual Demand and Market Demand

(B) Write short Notes (Any Two) (6)

1. Income elasticity of demand
2. Features of land
3. Features of Monopoly
4. Importance of Micro Economics

Q.4. Write short answers for the following question : (Any Three) (12)

1. Explain assumptions of Law of diminishing marginal utility.
2. Explain features of Monopolistic competition.
3. Explain difficulties of barter system.
4. Explain Agency services provided by commercial bank.
5. Explain Historical Review of Micro economics.
6. Explain determinants of Aggregate supply.

Q.5. Explain with reasons whether you agree or disagree with the following statement (Any Three) (12)

1. Law of Diminishing marginal utility has no real exceptions.
2. Central Bank uses quantitative credit control.
3. Commercial bank accepts different types of deposits from public.
4. Variation in demand is due to change in other factors other than price.
5. Market supply depends on many factors.
6. Money performs primary functions also.

Q.6. Answer in detail (Any Two) (16)

1. Explain market demand? On which factors market demand depends on ?
2. Explain circular flow of National Income.
3. Explain any two methods of measurement of elasticity of demand.
4. Define consumption function? Explain subjective or psychological factors which determines consumption function.

All the Best



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Note:- (1) All question are compulsory; (2) Give tables / diagrams wherever necessary; (3) Figures to the right indicate full marks; (4) Answer to every question must be started on a new page.

Q. 1 A] Fill in the blanks with appropriate alternatives given in the bracket: (5)

(1) Rate of Interest on recurring deposit is high

(2) Net Interest = Gross Investment Depreciation

(3) Cross elasticity for commodity Tea and Coffee is positive

(4) Adamsmith is called as Father of Modern economics.

(5) In India Finance ministry is responsible for framing the budget of union government.

B] Match the following (5)

Group "A"	Group "B"
1. Primary Factor	a. Land
2. Value added method	b. Avoids double counting
3. Monopoly of note issue	c. Central Bank
4. Total Revenue	d. Price X quantity demanded
5. Capital Goods	e. Indirect demand

C] State whether the following statements are True or False (6)

1. There is no government interference in Perfect Competition. - **True**

2. Non-Convertible Paper Money is legal Tender. - **True**

3. Price and Supply are inversely related. - **False**

4. Demand for electricity is composite demand. - **True**

5. There is no difference between Primary deposit and Secondary deposit of a Commercial Bank. - **False**

6. Cash reserve ratio affects the lending capacity of Banks. - **True**

P.T.O.

**Q.5. Explain with reasons whether you agree or disagree with the following statement
(Any Three) (12)**

1. Law of Diminishing marginal utility has no real exceptions.

Ans: I agree with given statement

2. Central Bank uses quantitative credit control.

Ans: I agree with given statement

3. Commercial bank accepts different types of deposits from public.

Ans: I agree with given statement

4. Variation in demand is due to change in other factors other than price.

Ans: I disagree with given statement

5. Market supply depends on many factors.

Ans: I agree with given statement

6. Money performs primary functions also.

Ans: I agree with given statement
