



# SHAH'S ADVANTAGE PRELIM 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, 16<sup>th</sup> Road, Bandra (W), Mum: 50. Ph: 26051635

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

**S.Y.J.C**

**ECONOMICS**

17<sup>th</sup> Jan 2020

Time: 3 hrs.

Prelim No: 1

**(2019 - 2020)**

Friday

Marks: 80

*Note:- (1) All question are compulsory; (2) Draw neat tables / diagrams wherever necessary; (3) Figures to the right indicate full marks; (4) Write answers to all questions must be started on a new page.*

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

1. Micro economics is also called as \_\_\_\_\_  
(Income theory / price theory / growth theory / employment theory)
2. Demand for necessities is \_\_\_\_\_  
(elastic / infinitely elastic / unitary elastic / inelastic)
3. \_\_\_\_\_ consumption cannot be zero  
(induced / Autonomous / Government / private)
4. The E - banking facility is provided through \_\_\_\_\_  
(telephone / debit card / internet / credit card)
5. During depression \_\_\_\_\_ budget is preferable.  
(zero / balanced / surplus / deficit)

**B] Match the following (5)**

Group "A"	Group "B"
1. Land	a. 1935
2. Revenue	b. Shift in demand curve
3. Change in demand	c. Quantity - Price
4. Unemployment allowance	d. Rent
5. Reserve Bank of India	e. Quantity × Price
	f. Transfer payment
	g. Movement on demand curve

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

1. Supply is directly related to price.
2. Concept of elasticity of demand is useful for finance minister.
3. In monopolistic competition goods have no close substitutes.
4. Overdraft facility is provided to saving account holders.
5. Token coins are such coins whose face value is greater than their intrinsic value.
6. Central bank acts as a lender of the last resort.

**P.T.O.**

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

- |                        |                    |                 |
|------------------------|--------------------|-----------------|
| 1. Partial equilibrium | 2. Service utility | 3. Selling cost |
| 4. Budget              | 5. Lumping method  | 6. Central Bank |

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

1. Demand for the commodity having multiple uses has elastic demand.
2. Micro economic theories are based on certain assumptions.
3. Income from second hand sale of goods is excluded from national income.
4. There are many subjective factors determining consumption function.
5. An entrepreneur is called a leader of the organisation.
6. When price rises, supply expands.

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

1. Extension of demand & Contraction of demand.
2. Stock & Supply.
3. Micro economics & Macro economics
4. Output method of measuring national income & Income method of measuring national income.
5. Bank rate & Repo rate.
6. Legal tender money & Non-legal tender money.

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

1. Subject matter of micro economics.
2. Features of monopoly
3. Total outlay method of measuring price elasticity of demand.
4. Features of labour.

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

1. Explain the relationship between Total utility and Marginal utility.
2. Explain the features of perfect competition.
3. Explain the features of macroeconomics.
4. What are the determinants of aggregate supply?
5. What are the primary functions of commercial bank?
6. What are the sources of non-tax revenue?

**P.T.O.**

**Q.5. Explain with reasons whether you agree or disagree with the following statements**

**(Any 3):**

**(12)**

1. Homogeneity of commodities is the only assumption of the law of diminishing marginal utility.
2. There are many types of demand.
3. Price is the only determinant of supply.
4. General acceptability is the only quality of goods money.
5. Commercial banks cannot create on the basis of primary deposit.
6. Central bank is a bank which issues notes.

**Q.6. Answers in detail (Any Two)**

**(16)**

1. Explain the law of demand with its exceptions.
2. What are the types of elasticity of demand?
3. What is national income? Explain the theoretical difficulties involved in the measurement of national income.
4. What is aggregate demand? Explain the determinants of aggregate demand?

**\*\*\*\*\*All THE BEST\*\*\*\*\***



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**B] Match the following (5)**

Group "A"	Answers
1. Land	<i>d. Rent</i>
2. Revenue	<i>e. Quantity × Price</i>
3. Change in demand	<i>b. Shift in demand curve</i>
4. Unemployment allowance	<i>f. Transfer payment</i>
5. Reserve Bank of India	<i>a. 1935</i>

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

1. Supply is directly related to price. **Ans:- True.**
2. Concept of elasticity of demand is useful for finance minister. **Ans:- True**
3. In monopolistic competition goods have no close substitutes. **Ans:- False**
4. Overdraft facility is provided to saving account holders. **Ans:- False**
5. Token coins are such coins whose face value is greater than their intrinsic value.  
**Ans:- True**
6. Central bank acts as a lender of the last resort. **Ans:- True.**

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