

(AUTONOMOUS)

BCom DEGREE EXAMINATION DECEMBER 2017

(First Semester)

Branch - **COMMERCE WITH PROFESSIONAL ACCOUNTING**

GENERAL ECONOMICS

Time : Three Hours

Maximum : 60 Marks

SECTION-A (26 Marks)

Answer ALL questions

ALL questions carry EQUAL marks

(26 x 1 = 26)

1 Multiple choice questions:

a Economics is the study of

- i) Production technology ii) Consumption decisions
- iii) How society decides what, how, and for whom to produce
- iv) The best way to run society

b Normative economics forms _____ based on _____

- i) Positive statements, facts ii) Opinion, personal, values
- iii) Positive statements, values iv) Opinions, facts

c Microeconomics is concerned with

- i) The economy as a whole ii) The electronics industry
- iii) The study of individual economic behaviour
- iv) The interaction within the entire economy

d Scarcity definition of economics given by

- i) Adam smith ii) Lionel robbins iii) Karl Mark iv) None of these

e A producing possibilities curve shows the various combinations of output;

- i) Consumers would like to consume ii) Producers would like to produce
- iii) An economy can produce iv) An economy should produce

f In the short run, when the output of a firm increases, its average fixed cost

- i) Remains constant ii) Decreases iii) Increases iv) All of these

g The cost of one thing in terms of the alternative given up is called

- i) Real cost ii) Production cost iii) Physical cost iv) Opportunity cost

h Goods which are used to produce other goods

- i) Human goods ii) Capital goods iii) Raw material iv) None of these

i The short run is a time period in which

- i) All resources are fixed ii) The level of output is fixed
- iii) The size of the production plant is variable
- iv) Some resources are fixed and others are variable

j When the total product curve is falling, the

- i) Marginal product of labour is zero ii) Marginal product of labour is negative
- iii) Average product of labour is increasing
- iv) Average product of labour must be negative

k Normally a demand curve will have the shape

- i) Horizontal ii) Vertical iii) Downward sloping iv) Upward sloping

l Law of demand shows relation between

- i) Income and price of commodity ii) Price and quantity of the commodity
- iii) Income and quantity demand iv) Quantity demand and supplied

m The elasticity of demand of durable goods is

- i) More elastic ii) Less elastic iii) Zero elastic iv) Infinite elastic

- n Supply is a function of
i) Demand ii) Price iii) Quantity iv) None of these
- o Supply curve will shift when
i) Price falls ii) Price rises iii) Demand shifts iv) Technology change
- p Single seller market
i) Monopsony ii) Monopoly iii) Duopoly iv) Oligopoly
- q The data of estimation of India's national income is issued by ?
i) Planning commission ii) National data center
iii) Central statistical organization iv) None of above
- r Green revolution started in
i) 1964-65 ii) 1965 -66 iii) 1966-67 iv) 1967 -6
- s Approximately _____ % of Indian population is still agriculturist.
i) 46% ii) 50% iii) 58% iv) 75%
- t The net value of GDP after deducing depreciation from GDP is
i) NNP ii) NDP iii) GNP iv) Disposable income
- u The average income of the country is
i) Real national income ii) Per capita income
iii) Disposable income iv) National income
- v Final balance of payments of a country' is
i) Always balanced ii) Always deficit iii) Always surplus iv) Fluctuates
- w Govt, prepares its budget
i) Monthly ii) Quarterly iii) Half yearly iv) Annually
- x Unemployment due to mechanization of agriculture is
i) Seasonal ii) Structural iii) Disguised iv) Open
- y Who fixes the poverty line?
i) Governor ii) Lok Sabha iii) Rajya sabha iv) Planning commission
- z Deficit financing implies
i) Printing new currency notes ii) Public revenue in excess of public expenditure
iii) Public expenditure in excess of public revenue
iv) Replacing new currency with worn out currency

SECTION - B (10 Marks)

Answer **ALL** Questions

ALL Questions Carry **EQUAL** Marks (2 x 5 = 10)

- 2 Write a short note on fixed cost and variable cost.
- 3 Explain the different types of unemployment.

SECTION - C (24 Marks)

Answer any **THREE** Questions

ALL Questions Carry **EQUAL** Marks (3 x 8 = 24)

- 4 Explain the nature and scope of economics.
- 5 Discuss the law of returns to scale.
- 6 Explain the features of perfect competition.
- 7 Analyse the role of agriculture in Indian economic development.
- 8 Assess the poverty Alleviation programmes implemented in India.