

SECOND SEMESTER B.A. DEGREE EXAMINATION, MAY 2019**(CUCBCSS—UG)****Economics****ECO 1C 01 ESSENTIALS OF ECONOMICS—MICRO****AND****ECO 2C 01 ESSENTIALS OF ECONOMICS—MACRO****Time : Three Hours****Maximum : 80 Marks****Part A***Answer all questions.**Each question carries $\frac{1}{2}$ mark.*

1. Among the subject matters of economics is —————
 - (a) Production.
 - (b) Consumption.
 - (c) Distribution.
 - (d) All the above.
2. Human wants are :
 - (a) Limited.
 - (b) Scarce.
 - (c) Unlimited.
 - (d) Inadequate.
3. Cardinal utility analysis to consumer equilibrium was developed by :
 - (a) Marshall.
 - (b) Hicks and Allen.
 - (c) Jeremy Bentham.
 - (d) Adam Smith.
4. Total utility is maximum when :
 - (a) Marginal utility is zero.
 - (b) Marginal utility is maximum.
 - (c) Marginal utility increases.
 - (d) Average utility is maximum.
5. When individuals income rises his demand for a normal good ?
 - (a) Rises.
 - (b) Falls.
 - (c) Remains the same.
 - (d) Negative.

Turn over

6. Indifference curve is always :
- (a) Concave to the origin. (b) Convex to the origin.
(c) L shaped. (d) A straight line.
7. Macro economics deals with :
- (a) General price level. (b) Total employment.
(c) Economic aggregates. (d) All the above.
8. In classical theory the equality between saving and investment is brought about by :
- (a) Consumption. (b) Income.
(c) Multiplier. (d) Rate of interest.
9. The slope of the consumption function is called :
- (a) MPC. (b) MPS
(c) APC. (d) APS
10. Which one of the following is roughly equal to national income ?
- (a) GDP. (b) NNP.
(c) SDP. (d) None of these.
11. Disposable Income does not include :
- (a) Excise duty paid. (b) Customs duty paid.
(c) Income tax. (d) All of these.
12. The services of a house wife are :
- (a) Not part of Production. (b) A part of production.
(c) A part of consumption. (d) Not a part of consumption.

(12 x $\frac{1}{2}$ = 6 marks)

Part B

*Answer any ten questions.
Each question carries 2 marks.*

13. What is economics ?
14. What is meant by a function ?
15. Elucidate the Welfare Definition.
16. What is Consumption ?

17. Discuss the law of demand.
18. Describe the marginal cost.
19. Define the Disposable Income.
20. Distinguish between GDP and NDP.
21. What is the Say's Law of market.
22. Discuss Aggregate supply.
23. Explain the Intermediate goods.
24. What is the psychological law of consumption ?

(10 x 2 = 20 marks)

Part C (Paragraph Answer Questions)

*Answer any six questions.
Each question carries 5 marks.
Answer should not exceed 100 words.*

25. Examine the economics as a social science ?
26. Examine the problem of allocation of resources.
27. Compare and contrast the micro and macro economics.
28. Explain the law of diminishing marginal utility.
29. Explain the Importance of the estimation of national income.
30. Give an account of circular flow of income and expenditure.
31. Discuss the Components of aggregate demand.
32. Explain the significance of underemployment equilibrium.

(6 x 5 = 30 marks)

Part D (Essay Questions)

*Answer any two questions.
Each question carries 12 marks.*

33. What are the basic economic problems of an economy ? Explain.
34. Briefly examine the nature of Cost of Production.
35. Explain the various methods of Measurement of National Income.
36. What are the basic difference between Classical and Keynesian economic ideas ? Explain.

(2 x 12 = 24 marks)