

TIME ALLOWED - 3 HRS
M.M 80

GENERAL INSTRUCTIONS

- (i) This question paper contains 34 questions.
- (ii) All questions are compulsory.
- (iii) This question paper contains two sections:
Section - A: Micro Economics (40 MARKS)
Section - B : Statistics (40 MARKS)

INTRODUCTORY MICRO ECONOMICS

(1 mark each × 10 = 10 marks)

- Q1. The central problem of an economy arises because:
a) Resources are unlimited
b) Human wants are limited
c) Resources are scarce
d) None of the above
- Q2. The basic problem of "what to produce" refers to:
a) Choice of goods to be produced
b) Availability of resources
c) Distribution of income
d) None of these
- Q3. Which of the following is an example of positive economics?
a) Inflation should be controlled
b) India's unemployment rate is 8%
c) Government must reduce poverty
d) Education should be free
- Q4. When the price of a commodity increases, the demand for its substitute:
a) Increases
b) Decreases
c) Remains constant
d) Becomes zero
- Q5. Consumer's equilibrium is achieved when:
a) $MU_x = P_x$
b) $MU_x / P_x = MU_y / P_y$
c) TU is minimum
d) Income = Expenditure
- Q6. Law of demand shows the relationship between:
a) Price and income
b) Price and demand
c) Demand and supply
d) Income and consumption
- Q7. If price elasticity of demand = 0, demand is said to be:
a) Perfectly elastic
b) Perfectly inelastic
c) Unitary elastic
d) Relatively elastic

- Q8. Which of the following is NOT an assumption of the law of demand?
a) Prices of related goods remain constant
b) Income of consumer remains constant
c) Taste and preferences remain constant
d) Price of the commodity keeps changing frequently
- Q9. If price rises from ₹10 to ₹12 and quantity demanded falls from 100 to 80 units, the price elasticity of demand will be:
a) Elastic
b) Inelastic
c) Unitary
d) Perfect
- Q10. In the indifference curve approach, marginal rate of substitution (MRS) _____ as we move along the indifference curve:
a) Increases
b) Decreases
c) Remains constant
d) Becomes zero
- Q11. Explain any three central problems of an economy with suitable examples. (3 marks each × 2 = 6 marks)
- Q12. Distinguish between positive economics and normative economics with examples (4 marks each × 3 = 12 marks)
- Q13. Explain the Law of Diminishing Marginal Utility with the help of a diagram and suitable example.
- Q14. A consumer buys two goods, X and Y. Derive the condition for consumer's equilibrium using the utility approach.
- Q15. Explain any four factors that determine the elasticity of demand for a commodity (6 marks each × 2 = 12 marks)
- Q16. (a) Explain the Law of Demand with the help of a demand schedule and diagram.
(b) State any four exceptions to the law of demand.
- Q17. The price of a commodity rises from ₹50 to ₹60 per unit. As a result, the quantity demanded decreases from 200 units to 160 units. Calculate the price elasticity of demand using the percentage method. Also, interpret the result.

Section B (Statistics)

(1*10=10marks)

- Q1. The word 'statistics' is derived from:
a) Latin word 'status'
b) Greek word 'statistics'
c) French word 'statuesque'
d) All of the above
- Q2. Which of the following is not a function of statistics?
a) Simplification of data
b) Comparison
c) Establishing exact causation
d) Forecasting
- Q4. The method of collecting data directly from field surveys is known as:
a) Indirect method
b) Direct method
c) Sampling method
d) None of these

- Q6. Arithmetic mean is also called:
- a) Median
 - b) Mode
 - c) Average
 - d) Harmonic mean
- Q8. Which of the following is an example of secondary data?
- a) Data collected by census
 - b) Data collected by a student for project
 - c) Survey data
 - d) Interview responses
- Q7. Which measure of central tendency is most affected by extreme values?
- a) Median
 - b) Mode
 - c) Arithmetic Mean
 - d) None of these
- Q8. The process of grouping data into classes is called:
- a) Classification
 - b) Tabulation
 - c) Sampling
 - d) Investigation
- Q9. Which of the following is a primary source of data?
- a) Government publications
 - b) Books
 - c) Personal interviews
 - d) Reports
- Q10. The formula of Arithmetic Mean is:
- a) $\sum X/N$
 - b) $\sum FX/N$
 - c) $\sum f/N$
 - d) Both (a) and (b)

(3*2=6marks)

Q11. Mean marks obtained by 100 students are estimated to be 40. Later on, it is found that one value was read as 83 instead of 53. Find out the "corrected mean".

Q12. What are the merits of mean?

(4*3=12marks)

Q13. Calculate mean salary by step-deviation method of the following data:

Salary Group	Number of employees
60-75	3
75-90	4
90-105	5
105-120	5
120-135	7
135-150	6

124.33

Q14. Distinguish between Primary data and secondary data. Which of these two sets of data is more reliable and why?

Q15. "Statistics is a science as well as an art." Justify the statement.

(6*2=12 Marks)

Q16. Calculate Mean from the following data by step-deviation method: -

Marks	Number of students
More than 0	30
More than 2	28
More than 4	24
More than 6	18
More than 8	10

S. 4

Q17. Explain qualities of a good Questionnaire.

OR

Explain Direct personal investigation with its merits and demerits.