

Question bank by Dr. Mrs. Lina R. Thatte

Dear Students

I have prepared a question bank here to help study the subject of Economics with ease.

I hope you will find this question bank useful. In case of any query, contact me at lthatte@gmail.com

With Best Wishes

Dr.Mrs.Lina R.Thatte

Associate Professor & Head

Department of Economics

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FYBA ECONOMICS : QUESTION BANK FOR FIRST SEMESTER

UNIT1

Q1) Answer the following: 5 marks each

- i) Define Micro Economics
- ii) Define Ceteris Paribus
- iii) Define welfare
- iv) Define scarcity in Economics
- v) Define wealth
- vi) Define MPC
- vii) Define APC

Q2) Answer the following: 8/7 Marks each

- i) Distinguish between static and dynamic equilibrium.
- ii) Distinguish between partial equilibrium and general equilibrium.
- iii) Distinguish between positive and normative economics.
- iv) Describe production function in economics
- v) Describe demand function in economics.
- vi) Graphically illustrate price determination in the market.
- vii) Draw a diagram showing consumption function in economics.

UNIT 2

Q1) Answer the following: 5 marks each

- viii) Define price elasticity of demand.
- ix) Define Cross elasticity of demand.
- x) Define income elasticity of demand
- xi) What is substitution effect?
- xii) What is price effect?

Q2) Answer the following: 8/7 Marks each

- viii) 'Elasticity of demand is different on different points on the demand curve' Explain.
- ix) Diagrammatically show positive income effect.
- x) Diagrammatically show negative income effect when good X is inferior.
- xi) Diagrammatically show negative income effect when good Y is inferior.
- xii) Write a note on revealed preference theory.
- xiii) Write a note on Giffen's paradox.

- xiv) What are uses of promotional elasticity of demand.
- xv) 'Indifference curves do not intersect each other' explain
- xvi) 'Indifference curve slope downwards from left to right.' Explain
- xvii) 'Indifference curves are convex to the origin' explain.

xviii) Compute Total revenue and state elasticity of demand in following three cases.

Case 1

PRICE	DEMAND	TOTAL OUTLAY	ELASTICITY OF DEMAND
16	1		
15	2		

Case 2

PRICE	DEMAND	TOTAL OUTLAY	ELASTICITY OF DEMAND
5	3		
3	5		

Case 3

PRICE	DEMAND	TOTAL OUTLAY	ELASTICITY OF DEMAND
4	4		
3	5		

xix) Compute Total revenue and state elasticity of demand in following three cases.

Case 1

PRICE	DEMAND	TOTAL OUTLAY	ELASTICITY OF DEMAND
20	1		
10	2		

Case 2

PRICE	DEMAND	TOTAL OUTLAY	ELASTICITY OF DEMAND
15	3		
12	4		

Case 3

PRICE	DEMAND	TOTAL OUTLAY	ELASTICITY OF DEMAND
25	3		
20	4		

UNIT 3

Q1) Answer the following: 5 marks each

- xiii) Explain money and real cost..
- xiv) Define opportunity cost.
- xv) Define social cost.

- xvi) Define private cost
- xvii) Define short and long periods.
- xviii) Draw envelop curve.

Q2) Answer the following: 8/7 Marks each

- xx) Explain Cobb-Douglas production function.
- xxi) Explain the law of increasing returns to scale.
- xxii) Explain the law of constant returns to scale.
- xxiii) Explain the law of decreasing returns to scale
- xxiv) Diagrammatically show the law of variable proportions.
- xxv) Explain the internal economies of scale.
- xxvi) Explain the external economies of scale.
- xxvii) Explain the internal and external diseconomies of scale.
- xxviii) Bring out the relation between AC and MC drawing suitable diagram.
- xxix) Compute AP and MP for the following data:

Units of Labour	1	2	3	4	5	6	7	8	9	10
Total Product	20	25	32	42	50	56	60	62	62	59

- xxx) Compute AP and MP for the following data:

Units of Labour	1	2	3	4	5	6	7	8	9	10
Total Product	10	15	22	32	40	46	50	52	52	49

- xxxi) Compute AC,MC for the following data

Units Produced	1	2	3	4	5	6	7	8	9	10
TC	30	35	38	40	43	48	56	66	80	100

- xxxii) Compute AC,MC for the following data

Units Produced	1	2	3	4	5	6	7	8	9	10
TC	40	45	48	50	53	58	66	76	90	110

- xxxiii) Compute AC,MC for the following data

Units Produced	1	2	3	4	5	6	7	8	9	10
TC	50	55	58	60	63	68	76	86	100	120
