PART - III
ECONOMICS
(Tamil & English Versions)

Time Allowed : 3 Hours

Instructions:
(1) Check the question paper for fairness of printing. If there is any lack of fairness, inform the Hall Supervisor immediately.
(2) Use Black or Blue ink to write and pencil to draw diagrams.

PART - A

Note: Answer all the questions.

I. Choose the correct answer for the following:

1. The author of scarcity definition is:
   (A) Adam Smith       (B) Samuelson
   (C) Alfred Marshall   (D) Lionel Robbins

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   [TURN OVER]
2. The basic force that drives the capitalist economy is:
(a) Planning  (b) Technology  
(c) Government  (d) Profit-motive

3. Consumer surplus is:
(a) Potential price – Actual price  (b) MVn = TVn – TVn – 1
(c) Demand = Supply  (d) None

4. Exception to the Law of Demand is:
(a) Veblen Effect  (b) Consumer Surplus
(c) Income elasticity of demand  (d) None

5. Factors determining supply are:
(a) Production Technology  (b) Prices of factors of production
(c) Taxes and Subsidies  (d) All the above
6. கலவைகள்:

(அ) தொடர் கலவைகளின் மதிப்பு
(ஆ) மதிப்பு கலவை மாற்ற மதிப்பு
(இ) மதிப்பு கலவை மாற்ற மதிப்பு
(த) மதிப்பு மாற்ற மதிப்பு கலவைகள் திளக்கமாக மிக்கும்.

In the long period:

(a) All factors change
(b) Only variable factor changes
(c) Only fixed factor changes
(d) Variable and fixed factors remain constant

7. பணமான __________ கிருத்து பெருக்க விளம்பம்.

(அ) கலவை 
(ஆ) பணம் பணவங்களின்
(இ) வளையம் 
(த) குறிப்பிட்டு அனுமான

Labour cannot be separated from:

(a) Capital 
(b) Labourer 
(c) Profit 
(d) Organization

8. தரையில் மாற்றும் மையவும் உள்ளவும் முதலாம் சமய விளக்கம்

(அ) TC/Q 
(ஆ) TFC/Q
(இ) TVC/Q 
(த) சூழலிலே

Average fixed cost is obtained by dividing:

(a) TC/Q 
(b) TFC/Q 
(c) TVC/Q 
(d) None

[திருப்பா / Turn over]
9. Which of the following statements is correct regarding profit maximisation?

(a) MC = MR (b) MR = AC

(c) MR = AR (d) MC = AC

A firm can achieve equilibrium when its:

(a) MC = MR (b) MC = AC

(c) MR = AR (d) MR = AC

10. Rent is the price paid for the use of:

(a) Capital (b) Organisation

(c) Labour (d) Land

11. The central problem in Macroeconomics is:

(a) Income and Employment (b) Price and Output

(c) Interest and Money (d) None

12. Aggregate Demand is:

(a) C + I + G + (X - M) (b) C + S

(c) ΔC/ΔY (d) ΔS/ΔY
13. Monetary policy is controlled by:
(a) Central Government  (b) State Government
(c) Central Bank  (d) Private Sector

14. The compulsory charge levied by the government is:
(a) Licence fees  (b) Gifts and Grants
(c) Loan  (d) Tax

II. Fill in the blanks with suitable answers.

15. Economics is a _______ science.

16. Production possibility curve is also known as _______.

17. Marginal utility falls to zero, when the total utility is _______.
18. **Goods that are demanded for their social prestige come under ______ effect.**

19. **The supply curve in the market period is a ______ line.**

20. **Land and Labour are called ______ factors.**

21. **The marginal cost curve is ______ shaped.**

22. **The perfect competitive firms are ______.**

23. **Money wages are also known as ______ wages.**

24. **The worldwide depression of 1930s was also caused by a ______.**

25. **The equation of exchange (MV=PT) was given by ______.**

26. **means different sources of government income.**
Match the following:

27. First Nobel Prize  (a) Advertisements
28. Bureaucratic expansion  (b) Pair of price and quantity
29. Wants  (c) Planning curve
30. Ed>1  (d) Walker
31. Equilibrium  (e) Timbergian and Frisch
32. Division of labour  (f) \( \frac{1}{1 - mpc} \)
33. The long run average cost curve  (g) Best tax system
34. Global market  (h) Socialism
35. Residual claimant theory  (i) Elastic demand
36. K  (j) Low rate of interest
37. Cheap money policy  (k) Gold and Silver
38. Progressive tax  (l) Adam Smith
IV. Answer each of the following questions in a word or two.

39. Give two examples of free goods.

40. Name any two successful socialist economies.

41. What is the other name for the law of Equi-marginal utility?

42. Give the formula for point method.

43. Who has introduced the time element?

44. What is other name for isoquant?

45. What is break-even point?

46. In which year the MRTP Act was passed?

47. Who is the author of the rent theory of profits?

49. Give an example of a country that experienced hyperinflation.

50. What is VAT?

PART-B

V. (i) What are the main divisions of economics?

(ii) What are the basic issues of any society?

Note: (i) Answer any ten of the following questions.
(ii) Answer for each question should be about four or five lines.

51. What are the merits of Mixed Economy?

52. What are the causes for wants?

53. Write a note on Giffen paradox.
56. What are the determinants of shift in supply?

57. Classify the time periods given by Prof. Marshall.

58. What is production function and what are its classification?

59. What are the merits of division of labour?

60. What are money cost?

61. Define marginal cost.

62. What are the assumptions of marginal productivity theory of distribution?

63. Write a note on multiplier.

64. Define money.

65. What is the subject matter of public finance?
66. Explain the salient features of capitalism.

67. How is the equilibrium price determined in the market period?

68. Write the characteristics of capital.

69. Explain the relationship between AR and MR curve.

70. Explain the relationship between SAC and SMC.

71. Briefly explain the classification of markets.

72. Draw the flow chart to depict the essence of Keynes theory.

73. Describe the consumption function with a diagram.

74. Explain the canons of taxation.

75. What are the main sources of tax and non-tax revenue of the central government?

[ Turn over ]
VII. கீழே (i) ராணியல் முன்னே விளையாடப்பட்ட விளைவிகளும். 3x20=60
   (ii) வுள்ளையாட விளையாட வகைப்பாடு அல்லது அடைத்திய
   விளையாடும்.

Note:  (i) Answer any three of the following questions.
   (ii) Answer for each question should be about three pages.

76. மார்ஶல் வரைந்த பெரும் மார்ஶலின் விளையாட்டுகள் விளக்கம்.
    Examine Marshall’s definition of economics.

77. குறுகியன் வரைந்த படம் வார்த்தை அடையவும் பார்வையில் விளைவும்
    விளையாட்டுகளை விளக்கம்.
    Explain consumer’s surplus with the help of a diagram and bring out its importance
    and its criticism.

78. சடார் விளையாட்டு விலக்கம் வார்த்தை.
    Discuss the Law of demand.

79. குறுகியன் வரைந்த படம் வார்த்தை, பார்வையில் குறுகியன் வரைந்த
    விளையாட்டு விளக்கம்.
    Explain the price and output determination under monopolistic competition.

80. சடார் விளையாட்டு விலக்கம் வார்த்தை.
    Explain Keynesian theory of interest.

81. மார்ஶல் வரைந்த படம் வார்த்தை விளையாட்டு விளக்கம்.
    Discuss the objectives and instruments of monetary policy.