

Question Bank Of Previous Years (2016-2025)
Subject 12th Economics

Unit 1 (Introduction)

(1 Mark Question)

Year 2016

Q.1 Write the scarcity definition of Economics. Q.2 What is PPC? Q.3 Give the wealth definition of Economics.

Year 2017

Q.1 Who wrote the book Principal of Economics? Q.2 Who is the father of economics? Q.3 What is meant by Economics?

Year 2018

Q.1 Define Microeconomics. Q.2 Who wrote the book Principal of Economics? Q.3 Write the Scarcity definition of Economics.

Year 2019

Q.1 Write the name of the father of modern Economics. Q.2 What is meant by consumption? Q.3 What is meant by Economics?

Year 2020

Q.1 Who is the father of Modern Economics?

- a) Adam Smith b) Marshall c) Ricardo d) Pigou

Q.2 Name the economist who called economics the science of money?

- a) Marshall b) Adam Smith c) Samuelson d) None of the Above

Q.3 Indian Economy is which kind of economy? a) Socialistic b) Capitalistic c) Mixed Economy d) None of the Above

Year 2021

Q.1 Who wrote the book Principles of Economics?

- a) Adam Smith b) Robbins c) Marshall d) Pigou

Q.2 Economics is a positive science because:

- a) It express opinion b) It gives suggestions c) Its studies facts d) All of the above

Q. 3 Slope of Possibility curve is :

- a) a straight line b) concave to the point of origin 'O' c) convex to the point of origin 'O' d) none of these

Q.4 Increase in resources means, the production possibility curve:

- a) shift to right b) shift to left c) remains constant d) all of the above

Q.5 Economics studies which type of activity:

- a) Social b) Political c) Economic d) None of these

Year 2023

Q.1 Which of the following is not the central problem of an economy:

- a) How to fully employ the resources? b) For whom to produce?
c) What goods be produced and how much the same be produced?
d) Problem of poverty and employment

Q. 2 Slope of Possibility curve is :

- a) a straight line b) concave to the point of origin 'O' c) convex to the point of origin 'O' d) none of these

Q.3 For whom to produce? Is a problem concerned with?

- a) Distribution of production b) Technology of Production c) Both (a) and (b) d) None of these

Q.4 which of the following is not concerned with the 'Problem of choice'?

- a) Excessive Income b) Alternative use of resources c) unlimited wants d) Limited resources

Q.5 The process of relating to purchase and Sale of commodity is known as :

- a) Consumption b) Production c) Exchange d) None of these

Q.6 Normative Science is related with :

- a) What is ? b) what ought to be? c) What was d) None of these

Q.7 The problem of " How to Produce " is concerned with :

- a) Selection of methods of production and Technique b) Distribution of wealth and Income
c) What goods and services are to be produced? d) Small Production

Year 2024

Q.1 Slope of Possibility curve is :

- a) a straight line b) concave to the point of origin 'O' c) convex to the point of origin 'O' d) none of these

Q.2 Origin of Economic Problem involves besides scarcity of resources

- a) Three Uses b) Two Uses c) Alternative Uses d) None of these

Q.3 The problem of " How to Produce " is concerned with :

- a) Selection of technology b) Distribution of wealth and Income
c) What goods and services are to be produced? d) None of these

Year 2025

Q.1 "The Material Welfare related" definition of Economics was give by

- a) Dr. Marshall b) Adam Smith c) Robbins d) Samuelson

Q.2 "The wealth related definition of Economics was given by

- a) Dr. Marshall b) Adam Smith c) Robbins d) Samuelson

Q.3 Scarcity related definition of economics was given by

a) Dr. Marshall

b) Adam Smith

c) Robbins

d) Samuelson

Unit 2 (Consumer Behavior and Demand)

Q.1 Give the definition of demand.Q.2 What are complimentary goods?

Year 2017

Q.1 What is substitution effect?Q.2 What is meant by Demand?Q.3 What is meant by income effect?

Year 2018

Q.1 If Price of petrol is increased, what will be the effect on the demand for car?Q.2 Define Price elasticity of Demand.

Year 2019

Q.1 Degrees of Elasticity of demand :

- a) Four b) Three c) Five d) Two

Year 2020

Q.1 Is it right that the Income effect of normal goods are positive?

Year 2021

Q.1 Demand Curve always slopes :

- a) Downward b) Upward c) (a) and (b) both ways d) None of these

Q.2 Which of the following pairs is not represents Substitute goods?

- a) Car and Petrol b) Coffee and Milk c) Limca and Coca cola d) All of these

Q.3 If price of mangoes rises , then demand will :

- a) Fall b) Rise c) No change d) None of these

Q.4 When demand curve is parallel to X-axis, then elasticity of demand is :

- a) Unitary b) Greater than unitary c) Zero d) Infinite

Q.5 When percentage change in demand is more than percentage change in Price, demand will :

- a) Inelastic b) Elastic c) Perfectly inelastic d) None of these

Q.6 Law of demand applies to :

- a) Normal goods b) Giffen Goods c) Articles of distinction d) All of these goods

Q.7 Expectation of fall in price of good in future will cause present demand to :

- a) Less b) More c) No Change d) None of these

Q.8 How many degrees are of Elasticity of Demand?

- a) 3 b) 4 c) 5 d) 2

Q.9 If fall in price total expenditure of the consumer on the commodity fall, it is an indication of :

- a) Inferior commodity b) Price elasticity of demand is less then unitary

c) Fall in taste of the consumers

d) Producers are getting economics of large scale production.

Q.10 Law of demand explains Relation between price and demand.

- a) Direct b) Inverse c) Proportionate d) None of these

Q.11 If at the same price Demand rises, it is called In/of demand.

- a) increase b) extension c) both (a) and (b) d) None of these

Q.12 From the following which method is used to measure the Elasticity of Demand?

- a) Percentage Method b) Total expenditure method c) Both (a) and (b)

d) None of these

Q.13 When Demand Curve is parallel to Y- axis, then elasticity of demand is :

- a) Unitary b) Greater than unitary c) Zero d) Infinite

Year 2023

Q.1 Law of demand applies to :

- a) Normal goods b) Giffen Goods c) Articles of distinction d) All of these goods

Q.2 Which is not the complimentary goods?

- Tea and Coffee b) Pen and Ink c) Car and Petrol d) Film and Camera

Q.3 How many degrees of price elasticity of demand

- a) 3 b) 4 c) 2 d) 5

Q.4 In case of unitary elastic demand what is the value of Price elasticity of demand?

- a) $E_d = 1$ b) $E_d < 1$ c) Both (a) and (b) d) None of these

Q.5 If with decrease in price demand rises, it is called in /of demand.

- a) increase b) decrease c) extension d) contraction

Q.6 Extension in demand is because of :

- a) rise in price of goods b) decrease in income of consumer

- c) fall in price of good d) all of the above

Q.7 Which are the complementary goods:

- a) Tea and Coffee b) Limca and Pepsi c) Car and Bus d) Pen and Ink

Q.8 Which economist evolved total expenditure method to measure price elasticity of demand?

a) Keynes b) Marshall c) Robbins d) Adam Smith

Year 2024

Q.1 When demand curve is parallel to X-axis, then elasticity is :

a) Infinity b) Zero c) Greater than Unitary d) None of these

Q.2 When percentage change in demand is less than percentage change in price demand is :

a) Perfectly inelastic b) Perfectly elastic c) Less than unitary d) None of these

Q.3 When percentage change in demand is more than percentage change in price demand is :

a) Perfectly elastic b) Perfectly inelastic c) Unitary d) None of these

Year 2025

Q.1 When MU is positive then TU is

a) Maximum b) Decreasing c) Increasing d) Minimum

Q.2 When marginal utility is zero then total utility is

a) Maximum b) Decreasing c) Increasing d) Minimum

Q.3 When marginal utility is negative , Total utility is

a) Maximum b) Decreasing c) Increasing d) Minimum

Q.4 What is the slope of demand curve in normal conditions?

a) Positive b) Negative c) a) and (b) both d) None of these

Q.5 Law of demand applies to which goods?

a) Normal Goods b) Giffen Goods c) Inferior goods d) All of these

Q.6 Extension in demand is because of :

a) rise in price of goods b) Decrease in income of consumer
c) fall in price of goods d) All of these

Q.7 When demand curve is parallel to OY-axis, the elasticity of demand is

a) Unitary b) Greater than unitary c) Zero d) Infinity

Q.8 Which of the following is substitute goods

a) Car and Petrol b) Coffee and Tea c) Film and camera d) All of these

Q.9 When demand curve is parallel to OX-axis, the elasticity of demand is

a) Unitary b) Greater than unitary c) Zero d) Infinity

Q.10 On all points of a rectangular hyperbola demand curve elasticity of demand is

a) Equal to Unitary b) Zero c) Greater than unitary d) Less than Unitary

Q.11 Which is not the complementary goods?

a) Tea and Coffee b) Pen and Ink c) Car and Petrol d) Film & Camera

Q.12 Which is the complementary goods?

a) Tea and Coffee b) Pen and Ink c) Car and Petrol d) Film & Camera

Unit 3 Producer Behavior and Supply

Year 2016

Q.1 Define real cost. Q.2 What is fixed cost? Q.3 What is total cost?

Q.4 Which concept of revenue is called Price?

Year 2017

Q.1 What is a Fixed cost? Q.2 What is the opportunity cost? Q.3 What is the explicit cost?

Year 2018

Q.1 What is production? Q.2 What is meant by total revenue? Q.3 What is revenue? Q.4 What is average cost?

Year 2019

Q.1 Is it right? $\text{Marginal cost} = \text{Total cost} / \text{Production}$

Q.2 Types of production costs are: i) Two ii) Three iii) Four iv) None

Q.3 What do you mean by production cost?

Q.4 What is meant by stock?

Q.5 Degrees of elasticity of supply are:

i) Four ii) Three iii) Five iv) Two

Q.6 Is it right?

$\text{Average Cost} = \text{Total cost} / \text{Production}$

Q.7 Degrees of elasticity of supply are:

i) Four ii) Three iii) Five iv) Two

Year 2020

One mark Questions

Q.1 What is meant by Revenue?

Q.2 Marginal Product is calculated with following formula:

a) $MP = QXP$ b) $MP = MP/Q$ c) $MP = TP_n - TP_{n-1}$ d) $MP = TP_n - 1 - TP_n$

Q.3 Other things being equal, the relationship between price of a commodity and supply of a commodity is ----- .

Q.4 Is it right or wrong that Average production (AP) can be zero?

Year 2021

Q.1 Average product

- a) $TP = AP/L$ b) $TP = MP/L$ c) $TP = TR/L$ d) None of these

Q.2 Total cost is calculated by:

- a) $TFC + TVC$ b) $AC+VC$ c) P/Q d) $P-Q$

Q.3 Total Revenue is calculated by

- a) $TR = QXP$ b) $TR = Q \cdot P$ c) $TR = Q + P$ d) $TR = Q/P$

Q.4 Returns to factor applicable in :

- a) Short run b) Long Run c) Short run and Long Run d) None of these

Q.5 What is the component of AC (Average Cost) during short run?

- a) $AC = AFC + AVC$ b) $AC = FC-VC$ c) $AFC-AVC$ d) None of these

Q.6 In case of contraction of supply:

- a) Price decreases b) Price Increases c) Price remain constant d) None of these

Q.7 What is the value of greater than unitary elastic in supply?

- a) $Es = 1$ b) $Es = 0$ c) $Es < 1$ d) $Es > 1$

Q.6 What is the formula of MP (Marginal Product)

- a) $MP = \text{Change in } TP / L$ b) $MP = \text{Change in } TP - L$

- c) $MP = \text{Change in } TP + L$ d) None of these

Q.7 Average Fixed Cost (AFC) is calculated by:

- a) FC / Q b) $FC - Q$ c) $FC + Q$ d) None of these

Q.8 What is the formula of TR?

- a) $TR = AR \times Q$ b) $TR = AR + Q$ c) $TR = AR / Q$ d) None of these

Q. 9 What is the time in which all the means of production can be changed?

- a) Short Run b) Long Run c) Very Short Run d) None of these

Q.10 What cost curve is U shaped?

- a) Average cost b) Marginal cost c) Total Cost d) None of these

Q.11 What is the relationship between Price and Quantity in case of Supply?

- a) Positive b) Negative c) Both Negative and Positive d) None of these

Q.12 What is the value of perfectly elastic Supply?

- a) $Es = 0$ b) $Es = 1$ c) $Es < 1$ d) None of these

Q.13 Average Product (AP) is measured as :

- a) $AP = TP/L$ b) $AP = TP + L$ c) $AP = T-L$ d) None of these

Q. 14 How many types of Total Cost in short run?

- a) 1 b) 3 c) 2 d) 5

Q.15 What is the formula of TR?

- a) $TR = AR \times Q$ b) $TR = AR + Q$ c) $TR = AR / Q$ d) None of these

Q.16 Returns to increasing scale applicable in short period/long period.

Q.17 Which of the following is correct?

- a) $AC = VC \times Q$ b) $AC = VC-Q$ c) $AC = VC + Q$ d) None of these

Q.18 What is the value of unitary elasticity of Supply?

- a) $Es = 1$ b) $Es = 0$ c) $Es < 1$ d) None of these

Q.19 What is the slop of supply curve in normal conditions?

- a) Positive b) Negative c) Both positive and negative d) None of these

Year 2023

Q.1 Which is not the examples of Fixed cost ?

- a) Rent b) Electricity Bill c) Salaries of Regular employees d) License

Q.2 Average Product is measured as :

- a) $AP = T/L$ b) $AP = TP+L$ c) $AP = TP/L$ d) None of these

Q.3 What is the formula of Marginal Revenue?

- a) $TR = QXP$ b) $MR = TR/Q$ c) $MR = \text{Change in } TR/\text{Change in } Q$ d) None of these

Q.4 Returns to increasing scale applicable in long period/short period.

Q.5 What is the value of greater than unitary elasticity of supply?

- a) $Es = 1$ b) $Es = 0$ c) $Es > 1$ d) None of these

Q.6 Which formula is correct?

- a) $AC = VC - Q$ b) $AC = TC / Q$ c) $AC = VC + Q$ d) None of these

Q.7 What is the state of Supply curve in normal condition?

- a) Positive b) Negative c) Both Positive and Negative d) None of these

Q.8 Formula of average revenue:

- a) $AR = MR/Q$ b) $AR = TR/TP$ c) $AR = TR / Q$ d) $AR = Q/P$

Q.9 Total cost is calculated by:

- a) $TC = P/Q$ b) $TC = TC + VC$ c) $TC = TFC + TVC$ d) $TC = P+Q$
- Q.10 Returns to scale applicable in :
- a) Short - run b) Long Run c) Very Short Run d) None of these
- Q.11 Total product is calculated by :
- a) $TP = AP/L$ b) $TP = MP/L$ c) $TP = AP \times L$ d) None of these
- Q.12 Which of the following is correct:
- a) $AC = FC-VC$ b) $AC = AFC-AVC$ c) $AC = AFC + AVC$ d) None Of these
- Q.13 What is the value of Unitary elasticity of Supply?
- a) $Es = 0$ b) $Es > 1$ c) $Es = 1$ d) $Es < 1$
- Q.14 In case of extension in supply :
- a) Price decreases b) Price increases c) Price constant d) None of these
- Q.15 When TR is maximum then MR is :
- a) 1 b) Positive c) Zero d) Negative
- Q.16 What is the correct formula of MP (Marginal Product)?
- a) $MP = \text{Change in } TP/L$ b) $MP = \text{Change in } TP - L$ c) $MP = \text{Change in } TP / \text{Change in } L$
- d) None of these
- Q.17 AFC is calculated by:
- a) FC / Q b) $FC - Q$ c) FC/Q d) None of these
- Q.18 What is the correct formula of TR ?
- a) $TR = AR/Q$ b) $TR = AR + Q$ c) $TR = AR \times Q$ d) None of these
- Q.19 Returns to scale applicable in :
- a) Short run b) Long run c) Very short run d) None of these
- Q.20 What cost curve is U shaped?
- a) TC b) MC c) AC d) None of these
- Q.21 What is the value of less than unitary elasticity of Supply?
- a) $ES > 1$ b) $ES = 1$ c) $ES < 1$ d) $ES = 0$

Year 2024

- Q.1 Average fixed cost is calculated by :
- a) $AFC = FC / Q$ b) $AFC = FC \times Q$ c) $AFC = FC - Q$ d) None of these
- Q.2 How many types of Elasticity of Supply :
- a) 1 b) 3 c) 4 d) None of these
- Q.3 Average Variable cost is calculated by :
- a) $AVC = VC / Q$ b) $AVC = VC \times Q$ c) $AVC = VC - Q$ d) None of these
- Q.4 Supply curve indicates that price and quantity supplied:
- a) are inversely related
- b) are inversely proportionate and inversely related
- c) are directly proportionate and direct related d) None of these
- Q.5 Average cost (AC) is calculated by:
- a) $AC = TC/Q$ b) $AC = TC \times Q$ c) $AC = TC - Q$ d) None of these
- Q.6 When Supply curve vertical straight line, then supply is :
- a) perfectly elastic supply b) Perfectly inelastic supply c) unitary elastic d) None of these

Year 2025

- Q.1 Which of the following is the correct?
- a) $AC = FC - VC$ b) $AC = AFC - AVC$ c) $AC = AFC + AVC$ d) None of these
- Q.2 Which of the following is the correct?
- a) $AC = V - Q$ b) $AC = TC/Q$ c) $AC = VC + Q$ d) None of these
- Which of the following is the correct?
- a) $TC = TFC \times TVC$ b) $TC = AFC / TAVC$ c) $TC = TFC + TAVC$ d) $TC = TFC - TVC$

Q.3 Under which of the following conditions MR can be negative?

- a) When AR is increasing b) When AR is decreasing c) When AR is constant d) In all the above conditions

Q.4 Select the correct equation:

- a) $TR = \text{Summation of } AR$ b) $MR = \text{Change in } TR / \text{Change in } Q$ c) $TR = AR / MR$ d) $AR \times \text{Units}$.

Q.5 When TR increases at constant rate , then MR should be ,

- a) increasing b) decreasing c) constant d) zero

Unit 4 and 5 (Forms of market and Price Determination and Simple Applications of Tools of Demand and Supply Curves)

Year 2021

Q.1 In case of perfect competition price determined by :

a) Sellers b) Buyers c) Industry d) Firms

Q.2 The number of sellers in a monopoly is :

a) One b) Two c) Three d) Four

Q.3 Product differentiation refers to :

a) Same in size colour packing
b) Different in size colour packing c) both (a) and (b) d) None of these

Q.4 In which market the restriction over the entry or exit of Firms is not possible?

a) Perfect Competition b) Monopoly c) Monopolistic Competition d) None of these

Q.5 In which market the example of tooth paste like Colgate, Pepsodent, Close-up?

a) Perfect Competition b) Monopoly c) Monopolistic Competition d) None of these

Q.6 What is the equilibrium price?

a) $AD = AS$ b) $AD - AS$ c) $AD + AS$ d) None of these

Q.7 In which market firm is Price taker?

a) Perfect competition b) Monopoly c) Monopolistic Competition d) None of these

Q.8 Market means :

a) An area where only goods and services are sold.
b) An area where only goods and services are bought.
c) An area where there are many vendors. d) None of these

Q.9 In which market the example of bathing soap like Lux, Dettol, Personna, Lifeboy?

a) Perfect Competition b) Monopoly c) Monopolistic Competition d) None of these

Year 2023

Q.1 Price discrimination is the feature of which market?

a) Perfect competition b) Monopoly c) Monopolistic Competition d) None of these

Q.2 In which market Firm is price taker?

a) Perfect competition b) Monopoly c) Monopolistic Competition d) None of these

Q.3 Taj Mahal, Red Level, Tata Gold, Lipton Tea Brand is the examples of which market?

a) Perfect competition b) Monopoly c) Monopolistic Competition d) None of these

Q.4 Product differentiation refers to :

a) Same in size colour packing
b) Different in size colour packing c) Both (a) and (b) d) None of these

Q.5 The number of sellers in a monopoly is :

a) Four b) Three c) One d) Two

Q.6 In case of perfect competition price determined by :

a) Firm b) Seller c) Industry d) Buyers

Q.7 In which market the example of refrigerator like Whirlpool, Haier, Samsung, LG, Godrej?

a) Perfect competition b) Monopoly c) Monopolistic Competition d) None of these

Q.8 Selling cost is the features of which market?

a) Perfect competition b) Monopoly c) Monopolistic Competition d) None of these

Q.9 In which market the restrictions over the entry of firms?

a) Perfect competition b) Monopoly c) Monopolistic Competition d) None of these

Year 2024

Q.1 In the context of market, which statement is correct?

a) There is contract between buyers and sellers in the market
b) Lots of goods are bought and sold in the market
c) Market refers to an area where there are buyers and sellers of the commodity
d) All of these

Q.2 Market price is determined in:

a) Very short period b) Short Period c) Long Period d) None of these

Q.3 In which kind of market, a firm is a Price - taker?

a) Perfect competition b) Monopoly c) Both (a) and (b) d) None of these

Q.4 Under perfect competition, equilibrium price of the commodity is determined by :

a) Demand for the commodity alone
b) Supply of commodity alone
c) Both demand and supply of the commodity
d) Is done the Government

Q.5 The process of charging different prices from different buyers for the same good is called:

a) Product Differentiation b) Price extension c) Price discrimination
d) Price Contraction

Q.6 In case of supply being perfectly being inelastic, what will be the effect of increase in demand on price equilibrium?

a) There is no effect on the equilibrium price

- b) Equilibrium Price decreases c) Both (a) and (b) d) None of these

Year 2025

Q.1 In the context of market, which statement is correct?

- a) There is contact between Buyers and Sellers in the market
b) Lots of goods are bought and sold in the market
c) Market refers to an area where there are buyers and sellers of the community
d) All of the above.

Q.2 Under perfect competition firm is : a) Price taker b) Price maker

- c) Both (a) and (b) d) None of these

Q.3 In case of perfect competition price determined by: a) Firms b) Seller c) Industry d) Buyers

Unit 6 (National Income and Related Aggregates)

Year 2016

Q.1 Give the example of macroeconomics. Q.2 What is real flow/ Q.3 What is primary sector? Q.4 What is financial system?

Q.5 What is stock? Q.6 What is closed economy?

Q.7 What do you mean by Tertiary sector? Q.8 What is money flow?

Year 2017

Q.1 What is meant by macroeconomics? Q.2 Write the meaning of closed economy.

Q.3 Who is the father of Macroeconomics? Q.4 What is meant by primary sector?

Year 2018

Q.1 What is meant by macroeconomics? Q.2 Give two examples of macroeconomics studies.

Q.3 What is meant by open economy? Q.4 What is meant by closed economy?

Year 2019

Q.1 Who is the father of Macroeconomics?

Q.2 Methods of measure the national income are

- a) Two b) Three c) Four d) One

Q.3 Write two examples of macroeconomics.

Q.4 How many types of producing Enterprises are there to calculate National Income?

- a) Two b) Four c) Three d) Five

Q.5 Which economist divided the studies of economics into two parts?

- a) Adam Smith b) Ricardo c) Ragnar Frisch

Year 2020

Q.1 " Problem of unemployment" is associated with which branch of Economics

- a) Macro Economics b) Micro Economics c) Micro and Macro Economics d) None of these

Q.2 Father of Macro Economics is :

- a) Ragnar Frisch b) J.M. Keynes c) Malthus d) Pigou

Q.3 Which of the following income is not included in the operating surplus?

- a) Rent b) Dividend c) Pension d) Interest

Q.4 What level of Economic Problems are studied in Micro Economics?

- a) Micro Level b) Macro Level c) Medium Level d) Only at Govt. Level

Q.5 How many methods are there to measures National Income?

- a) Two b) Three c) Five d) Four

Q.6 " Problem of increase in price" is associated with which branch of Economics

- a) Macro Economics b) Micro Economics c) Micro and Macro Economics d) None of these

Q.7 ----- studies the Economic problems at large (collective) level.

Year 2021

Q.1 Macro Economics is concerned with:

- a) the level of goods and services produced in the entire economy
b) General Price level c) National Income d) All of these

Q.2 In which of the following Sectors do Income and Product Flow?

- a) Two Sectors of the Economy b) Three Sectors of the Economy
c) Four Sectors of the Economy d) All of these

Q.3 Domestic Product is Equal to :

- a) National Product + Net Factor income from abroad b) National Product - Net Factor income from abroad
c) National Product / Net Factor income from abroad d) National Product X Net Factor income from abroad

Q.4 Which includes Depreciation?

- a) GNP at Market Price b) NNP at Market Price c) NNP at Factor Cost d) None of these

Q.5 Which of the following methods gives rise to Double Counting?

- a) Income Method b) Product Method c) Expenditure Method d) All of These

Q.6 What are the components of Aggregate demand in an Open Economy?

- a) Household consumption expenditure b) Household investment expenditure
- c) Government Expenditure + Household consumption expenditure
- d) Household consumption expenditure + Investment expenditure + Government Expenditure + Net Export

Q.7 Which economist divided Economics into two parts:

- a) Ragnar Frisch b) Hicks c) Ricardo d) None of these

Q.8 When was Macroeconomics developed as a separate branch of Economics?

- a) Between 1930 A.D. and 1940 A.D. b) Between 1910 A.D. and 1920 A.D.
- a) Between 1920 A.D. and 1930 A.D. d) None of these

Q.9 Problem of is the example of Macroeconomics studies.

- a) Unemployment b) Farm Price Level c) Demand of a consumer d) None of these

Q.10 Circular flow of income and Product is viewed from which of the following view - point?

- a) Real Flow Income b) Money Flow Income c) Both (a) and (b) d) None of these

Q.11 Household Sector goods and Services.

- a) Consumption b) Production c) Both (a) and (b) d) None of these

Q.12 Aggregate of the market price of the final goods and services (including depreciation) produced by all the producers within the domestic territory of a country during an accounting year, is called:

- a) GDP at Market Price b) GDP at Factor Price c) NNP at factor Price d) None of these

Q.13 How many methods are there to measure National Income?

- a) One b) Two c) Three d) Four

Q.14 Which of the following subjects is outside the scope of Macroeconomics?

- a) Theory of National Income b) Theory of Money
- c) Individual demand d) Theory of income Development

Q.15 Who is the father of Macroeconomics?

- a) J.M. Keynes b) Adam Smith c) Ricardo d) Pigou

Q.16 Which of the following Sectors is not included in the three sector model of the circular flow of income?

- a) Household Sector b) Producing Sector c) Rest of the World d) Government Sector

Q.17 Which is not time dimensional from the following?

- a) Stock b) Flow c) Both (a) and (b) d) None of these

Q.18 NNP at Market Price?

- a) GNP at Market Price - Depreciation b) GNP at Market Price + Depreciation
- a) GNP at Market Price + Indirect Taxes d) None of these

Q.18 Which of the following items is not included while estimating National Income by income Method?

- a) Rent b) Mixed Income c) Gift Tax d) Undistributed Profit

Year 2023

Q.1 Who is the Father of Macro Economics is :

- a) Adam Smith b) J.M. Keynes c) Marshall d) Pigou

Q.2 International trade is studied in :

- a) micro economics b) macroeconomics c) both (a) and (b)
- d) none of these

Q.3 A quantity measured over a specified period of time is known as :

- a) stock b) flow c) goods d) none of these

Q.4 Gross national product at market price (GNP mp) = ?

- a) Gross domestic product at market prices (GDPmp) - depreciation
- b) Gross domestic product at market price + Net factor income from abroad
- c) Gross national product at market price + subsidies d) None of these

Q.5 Which economist divided the economics into two parts

- a) Adam Smith b) Pigou c) Both (a) and (b) d) None of these

Q.6 Rest of the world sector is related to :

- a) Two Sector model a) Three Sector model
- c) Both (a) and (b) d) None of these

Q.7 In which year , Lord J.M. Keynes's book ' The general theory of employment, Interest and Money' was published?

- a) 1890 b) 1932 c) 1933 d) 1936

Q.8 Which of the following included in injections

- a) Investment b) Export c) Both (a) and (b) d) None of these

Q.9 Which of the following methods give rise to the problem of double counting ?

- a) income method b) expenditure method c) product method
- d) all of the above

Q.10 A quantity measured to the specific point of time is called:

- a) Stock b) Goods c) Flow d) None of these

Q.11 Which of the following item is not included while estimating National Income by income method.

- a) Rent b) Mixed Income c) Income from smuggling d) None of these

Q.12 How many methods are present to measure the national income?

- a) 1 b) 2 c) 3 d) None of these

Q.13 Which economist wrote the book, "The general theory of employment, Interest and Money"? was published?

- a) Marshall b) Adam Smith c) J.M.Keynes d) Pigou

Q.14 In which year Prof. Ragnar Frisch divided economics into two parts micro and macro?

- a) 1776 b) 1890 c) 1932 d) 1933

Q.15 Financial sector is that sector which:

- a) lend b) accepts deposits c) Both (a) and (b) d) None of these

Q.16 Who is the Father of Macro Economics is :

- a) Adam Smith b) J.M. Keynes c) Marshall d) Pigou

Q.17 Monetary National income means :

- a) national income at constant price b) national income at future price

c) national income at current price d) All of the above

Q.18 Which of the following is included in injections

- a) investment b) Export c) Both (a) and (b) d) None of these

Q.11 Which of the following item is not included while estimating National Income by income method.

- a) Rent b) Mixed Income c) Both (a) and (b) d) None of these

Year 2024

Q.1 The branch of Economics which studies Economic problems at the level of an individual is called:

- a) Macroeconomics b) Microeconomics c) Agriculture Economics d) None of these

Q.2 Of the following, which is included in 'withdrawals' (leakages)?

- a) Savings b) Imports c) Taxes by the Government d) All of these

Q.3 Which one is included in depreciation?

- a) Gross National Product at Market Price b) Net National Product at Market Price

- c) Net National Product at Factor Cost d) None of these

Q.4 Macroeconomics is concerned with:

- a) The level of goods and services produced in the entire economy

- b) General Price Level c) National income d) All of these

Q.5 Which of the following Sectors is not included in the Three - sector model?

- a) Household Sector b) Producing Sector c) Foreign Sector d) Government Sector

Q.6 Gross National Product (GNP) at Market Price = ?

- a) Gross Domestic Product (GDP) at Market Price - Depreciation

- b) Gross Domestic Product (GDP) at market price + Net Factor Income from Abroad

- c) Gross Domestic Product (GDP) at market price + Subsidies d) None of these

Q.7 When was Macroeconomics developed as a separate branch of Economics?

- a) Between 1930 A.D. and 1940 A.D.

- b) Between 1910 A.D. and 1920 A.D.

- a) Between 1920 A.D. and 1930 A.D.

- d) None of these

Q.8 In which of the following sectors do income and product flow:

- a) Two sectors of the economy

- b) Three sectors of the economy

- a) Four sectors of the economy d) All the above

Year 2025

Q.1 Which one flow is a variable out of the following?

- a) Interest on Capital

- b) Wealth

- c) Quantity of Money

- d) Water in the Water Tank

Q.2 Financial sector is that sector which :

- a) Lends b) Accept deposits

- c) Both (a) and (b) d) None of these

Q.3 In which of the following sectors do income and product flow?

- a) Two sectors of the economy

- b) Three sectors of the economy

- c) Four sectors of the economy

- d) All of these

Q.4 Net National Product (NNP) at Market Price = ?

- a) Gross National Product (GNP) at Market Price – Depreciation

- b) Gross National Product (GNP) at Market Price + Depreciation

- c) Gross National Product (GNP) at Market Price + Indirect Tax

- d) None of these

Q.5 Gross National Product (GNPmp) at market price = ?

- a) Gross domestic product (GDPmp) at Market price – depreciation

- b) Gross domestic product (GDPmp) at Market price + Net Factor income from abroad

- c) Gross domestic product (GDPmp) at Market price + Subsidies d) None of these

Q.6 Domestic Product is equal to :

- a) National product + Net Factor income from abroad b) National product - Net Factor income from abroad c) National product / Net Factor income from abroad d) National product X Net Factor income from abroad

Assertion Reasoning:

Alternatives:

- a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of assertion (A)
 b) Both assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)
 c) Assertion (A) is true but Reason (R) is False.
 d) Assertion (A) is false but Reason (R) is True.

Q.3 Assertion (A): A stock is a quality measured a specified period of time

Reason (R) : Consumption expenditure of a household is a flow concept.

Q.4 Assertion (A) : Money flows are opposite to the real flows

Reason (R) : Money flow are in response to the Real flows.

Unit No.7 Determination of Income and Employment

Year 2016

Q.1 What is deficient demand?

Q.2 What is excess demand?

Year 2019

One Mark Questions

Q.1 The formula to measure the multiplier:

- a) $K = \text{Change in } Y / \text{Change in } I$ b) $K = \text{Change in } I / Y$
 c) $K = Y/I$ d) None of these

Year 2021

One Mark Questions

Q.1 Average Propensity to Consume (APC) is equal to :

- a) Y/C b) $\text{Change in } Y / \text{Change in } C$ c) C/Y d) $\text{Change in } C / \text{Change in } Y$

Q.2 Investment induced by expectation of profit is called?

- a) Net Investment b) Induced Investment c) Autonomous investment d) Real Investment

Q.3 What are the components of Aggregate supply?

Q.4 Marginal Propensity to Save (MPS) is equal to :

- a) Y/S b) $\text{Change in } S / \text{Change in } Y$ c) S/Y d) $\text{Change in } Y / \text{Change in } S$

Q.5 Full employment equilibrium is a situation in which:

- a) $AD > AS$ b) $AD < AS$ c) $AD = AS$ d) None of these

Q.6 Propensity to Consume means:

- a) Tendency to consumer towards excellent consumption.
 b) Ratio of consumption to income in different level of consumption.
 c) Level of income at which consumption expenditure is equal to income.
 d) additional rate of income to be spent on consumption.

Q.7 Which one is correct

- a) $APC + APS = 1$ b) $APC = 1 - APS$ c) $APS = 1 - APC$ d) All of these

Q.8 Equilibrium level of Income / Output and employment is viewed from which of the following approaches?

- a) $AS = AD$ approach b) $S = I$ approach c) Both (a) and (b) d) None of theses

Year 2022

Q.1 Which is Right?

- a) $K = \text{Change in } Y / \text{Change in } I$ b) $K = \text{Change in } Y - \text{Change in } I$
 c) $K = \text{Change in } Y + \text{Change in } I$ d) None of these

Q.2 What is the value in case of $MPS + MPC$?

- a) 1 b) 2 c) 3 d) None of these

Q.4 In case of above full employment :

- a) Price increases and production remains constant
 b) Price decreases and production remains constant
 c) Price and production remain constant d) None of these

Q. 5 What is the formula of multiplier?

- a) $K = 1/ MPS$ b) $K = 1/(1-MPS)$ c) $K = 1X MPS$ d) None of these

Q.6 is it Right?

$$MPC + MPS = 1$$

Q. 7 What is the formula of multiplier?

- a) $K = 1 (1/ MPC)$ b) $K = 1/(1-MPC)$ c) $M = 1/(1X MPC)$ d) None of these

Q.8 Forward action of the Multiplier means :

- a) to increase income b) to decrease income c) Both (a) and (b) d) None of these

Q.9 Involuntary unemployment means :

- a) Get work at existing Rate of wages
 b) Do not get work at existing rate of wages c) Both (a) and (b) d) None of these

Year 2023

One Mark Questions

Q.1 Which one is correct

- a) $MPC + MPS = 1$ b) $1 - MPC = MPS$ c) $1 - MPS = MPC$ d) All of these

Q.2 What is the formula of multiplier (K)?

- a) $K = \text{Change in } Y / \text{Change in } I$ b) $K = \text{Change in } I / \text{Change in } Y$ c) Both (a) and (b)
 d) None of these

Q.3 Formula of Marginal Propensity to Consume is :

- a) Y/C b) $\text{Change in } Y / \text{Change in } C$ c) $\text{Change in } Y / \text{Change in } S$ d) None of these

Q.2 Average Propensity to Consume (APC) is equal to :

- a) Y/C b) $\text{Change in } Y / \text{Change in } C$ c) C/Y d) None of these

Q.3 Formula of Multiplier (K) is

- a) $1/1-MPC$ b) $1/MPC$ c) Both (a) and (b) d) None of these

Q.4 Marginal Propensity to Save (MPS) is equal to :

- a) $\text{Change in } S / \text{Change in } Y$ b) S/Y c) $\text{Change in } Y / \text{Change in } S$ d) None of these

Q.5 Formula of Multiplier (K) is

- a) $1/MPS$ b) $\text{Change in } I / \text{Change in } Y$ c) Both (a) and (b) d) None of these

Year 2024

Q.1 The formula of Average Propensity to Consume (APC) is :

- a) $\text{Income} / \text{Consumption}$ b) $\text{Consumption} / \text{Income}$ c) $\text{Consumption} + \text{Income}$ d) None of these

Q.2 Which investment is depend up on the expectation of profit is called:

- a) Net Investment b) Induced Investment c) Autonomous Investment d) None of these

Q.3 Formula of Marginal Propensity to Consume is :

- a) $\text{Change in } C + \text{Change in } Y$ b) $\text{Change in } Y / \text{Change in } C$ c) $\text{Change in } C / \text{Change in } Y$ d) None of these

Q.4 For what purpose is induced investment done?

- a) Public Welfare b) Objectives of Making Profit
 c) For the Development of Govt. Sector d) None of these

Q.5 Which one is correct

- a) $MPC + MPS = 1$ b) $1 - MPC = MPS$ c) $1 - MPS = MPC$ d) All of these

Q.6 A situation in which people are able and ready to work at the prevailing rate of wages, but they do not get work, is called:

- a) Voluntary unemployment b) Involuntary unemployment c) Temporary unemployment
 d) None of these

Year 2025

Q.1 Average Propensity to save (APS) is equal to :

- a) Y/S b) $\text{Change in } Y / \text{Change in } S$ c) S/Y d) $\text{change in } S / \text{change in } y$

Q.2 Marginal Propensity to save (MPS) is equal to :

- a) Y/C b) $\text{Change in } Y / \text{Change in } S$ c) C/Y d) $\text{change in } S / \text{change in } y$

Q.3 Average Propensity to save (APC) is equal to :

- a) Y/C b) $\text{Change in } Y / \text{Change in } C$ c) C/Y d) $\text{change in } C / \text{change in } y$

Assertion Reasoning :

Alternatives:

- a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of assertion (A)
 b) Both assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)
 c) Assertion (A) is true but Reason (R) is False.
 d) Assertion (A) is false but Reason (R) is True.

Q.1 . Assertion (A) : When $AD = AS$, producers suffer the burden of unwanted supplies.

Reason (R) : Ex – ante saving and ex-anty investment are equal at the point of equilibrium.

Q.2 Assertion (A) : Full employment equilibrium is a stable equilibrium.

Reason (R): Under employment equilibrium is not a stable equilibrium.

Q.3 Assertion (A) When $AS < AD$, AS adjusts itself to AD.

Reason (R) : When $S > I$, level of income and employment tends to shrink.

Unit 8 (Money and Banking)

Year 2017

Q.1 What is money ? Q.2 What is the name of Central Bank Of India?

Year 2019

Q.1 Who issue the Rs. 500 note?

- a) State Bank b) Punjab National Bank c) Reserve Bank Of India d) Government of India

Q.2 What is fiat money?

Year 2020

Q.1 What is the name of Central Bank of India?

Q.2 What is Fiat Money?

Q.3 One Rupee note is printed in India by _____.

- a) Finance Ministry b) P.N.B c) R.B.I. d) S.B.I.

Year 2022

One Mark Questions

Q.1 In which the function of Medium Exchange is :

- a) Primary or main functions b) Secondary functions of money
c) Contingent function of money d) None of these

Q.2 The name of the Central Bank of India is:

- a) Reserve Bank of India b) State Bank of India
c) Punjab National Bank d) Govt. of India

Q.3 Expanded form of ATM is :

- a) Automated Teller Machine b) Automated Telling Machine
c) Automated Total Machine d) None of these

Q.4 When was Reserve Bank of India established?

- a) 1947 A.D. b) 1935 A.D. c) 1937 A.D. d) 1945 A.D.

Q.5 Who issue the Rs. 500 note?

- a) Reserve Bank of India b) State Bank of India
c) Punjab National Bank d) None of these

Q.6 Who control the Banking system in India?

- a) Commercial Bank b) Foreign Bank c) Reserve Bank Of India d) None of these

Q.7 Money function is :

- a) Medium of Exchange b) Measure of Value c) Accumulation of Value d) All of these

Q.8 Rate at which R.B.I. gives loan to Commercial Banks is called?

- a) Interest Rate b) Bank Rate c) both of these d) None of these

Q.9 Which type of Loan is advanced by commercial Banks?

- a) Cash Credit b) Overdraft c) Loan and advance d) All of these

Q.10 Who controls money Supply in India ?

- a) Reserve Bank of India b) State Bank Of India c) Punjab National Bank
d) None of these

Year 2023

One Mark Questions

Q.1 Who controls money Supply in India ?

- a) Reserve Bank of India b) State Bank Of India c) Punjab National Bank
d) None of these

Q.2 Money is medium of exchange. (correct/ False)

Q.3 Rate at which Central Bank gives loan to Commercial Banks is called?

- a) Interest Rate b) Bank Rate c) both of these d) None of these

Q.5 Who issue the Rs. 200 note?

- a) Reserve Bank of India b) State Bank of India
c) Punjab National Bank d) Govt. of India

Q.6 Barter system belongs to :

- a) Money b) Credit Money c) Commodity (C-C Economy) d) None of these

Q.7 CRR Stands for

- a) Credit Reserve Ratio b) Credit Rate Ratio c) Cash reserve Ratio d) None of These

Q.8 In which the function of medium of exchange is :

- a) Secondary function of money a) Contingent function of money
a) Primary function of money d) None of these

Q.9 Headquarter of R.B.I. is located:

- a) Madras b) New Delhi c) Mumbai d) Chandigarh

Q.10 Who signs on Re. 1 note?

- a) R.B. I. Governor b) S.I. Governor c) Finance Secretary d) None of these

Q.11 Who issue the Rs. 2000 note?

- a) Reserve Bank of India b) State Bank of India
c) Punjab National Bank d) Govt. of India

Q.12 Money function is :

- a) Medium of Exchange b) Measure of Value c) Accumulation of value d) All of these

a) International Monetary Fund (IMF)
c) Reserve Bank Of India

b) World Bank
d) State Bank of India

a) 1st April, 1951 A.D. b) 1st April, 1935 A.D.
a) 1st April, 1936 A.D. a) 31st March, 1935 A.D.

a) Statutory Liquidity ratio
a) Statutory Law ratio
a) Statutory Liquidity ratio
d) None of these

a) Encourage Consumer Spending
b) Increase Aggregate Demand in the economy
c) Both (a) and (b)
d) None of these

Q.2 Which statement is not correct about capital receipts?

- a) Capital receipts creates a liability for the Government.
- b) Capital receipts cause reduction in assets of the Government.
- c) Capital receipts create assets for the Government.
- d) None of these

Q.3 Which of the following is not the examples of Direct Tax?

- a) Sales Tax b) Income Tax c) Corporation Tax d) None of these

Q.4 What is correct?

- a) Budget deficit == TR = RE b) Budget deficit = TR < RE
- a) Budget deficit = TR > RE d) None of these

Year 2024

Q.1 Which of the following are Non - tax receipts?

- a) Fees b) Gifts and Grants c) License and Permit d) All the above

Q.2 Which one of the following is Indirect Tax?

- a) Excise Tax b) Income Tax c) Wealth Tax d) None of these

Q.3 Which one of the following is Direct Tax?

- a) Wealth Tax b) Income Tax c) Goods and Service Tax d) Income Tax

Unit 10 (Balance of Payment)

Year 2018

Q.1 What do you mean by forward market?

Q.2 What is meant by spot market rate?

Q.3 What is meant by exchange rate?

Year 2021

Q.1 Is it right?

Balanced exchange rate is determined: Supply of Foreign Exchange Rate = Demand for Foreign Exchange .

Q.2 The rate of which is determined by the Government for exchange of foreign currency is known as:

- a) Flexible Exchange Rate b) Fixed Exchange Rate c) Bank Rate d) None of these

Q.3 Full form of FDI is:

- a) Foreign Direct Investment a) Foreign Department Investment
- a) Foreign Direct Instrument d) None of these

Year 2023

Q.1 Forward Transactions contracted in :

- a) Spot Market b) Forward Market c) Both of these d) None of these

Year 2024

Q.1 What is Balance of Trade?

- a) Difference between Import and Export of goods.
- b) Difference between Import and Export of services.
- c) Both of These d) None of these

Q.2 Balance of payment is always :

- a) Unfavorable b) Balanced c) Favorable d) None of these

Q.3 What is Balance Of Payments?

- a) Regressive Tax b) Net Investment
- c) It is a systematic record of all Economic transactions between its residents and residents of Foreign Countries.
- d) None of these

Year 2025

Q.1 Disequilibrium in Balance of Payments means:

- a) Surplus Balance of Payment b) Deficit balance of payment c) (a) and (b) both d) None of these

Q.2 Balance of Payment is always:

- a) Unfavorable b) Balanced) (a) and (b) both d) None of these

Q.3 As against balance of trade , balance of payment is :

- a) more comprehensive b) less comprehensive c) (a) and (b) both d) None of these

Assertion Reasoning :

Alternatives:

- a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of assertion (A)
- b) Both assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)
- c) Assertion (A) is true but Reason (R) is False.
- d)Assertion (A) is false but Reason (R) is True.

Q.4 Assertion (A) : Export is a flow variable.

Reason (R) : Export depends on the size of population at a point of time.

Question Bank Of Two Marks Questions from 2016 to 2024

Unit 1 (Introduction)

Year 2016

Q.1 Why does economic problem rise?Q.2 Give two features of Production Possibility Curve.

Year 2017

Q.1 Write any two features of PPC.Q.2 What is meant by opportunity cost?

Q.3 Write any two central problems of economy.

Year 2018

Q.1 Write the assumptions of consumer's equilibrium.Q.2 Write the main conditions of consumer's equilibrium.

Year 2020

Q.1 "How to produce" ? Explain this problem.Q.2 Write the main assumptions of PPC.

Q.3 "For whom to produce" ? Explain this problem.

Year 2021

Q.1 Is economics a Science or an art?Q.2 Explain the two central problems of an economy.

Q.3 Give the difference between Micro economics and Macroeconomics.

Q.4 What is economic problem ? Why does it arise?Q.5 Explain Production Possibility Curve.

Q.6 What do you understand by consumer's equilibrium? Give two assumptions of it.

Q.7 Define the utility. How many types are there in it?Q.8 Explain total utility and marginal utility.

Year 2022

Q.1 Explain central problem " for whom to produce"Q.2 Write Two Assumptions of consumer equilibrium.

Q.3 Explain the Economic Problem.

Year 2024

Q.1 Explain (any one) the central problem of an economy.Q.2 Write Two Assumptions of consumer equilibrium.

Q.3 Write two conditions of Consumer's equilibrium.

Year 2025

Q.1 Write the assumptions of consumer's equilibrium.

Unit 2 (Consumer Behavior and Demand)**Year 2016**

Q.1 Differentiate between substitute goods and Complimentary goods.

Q.2 Give the assumptions of Law of Demand.

Q.3 Give the three exceptions of law of demand.

Year 2017

Q.1 What is the difference between demand and quantity demanded?

Year 2018

Q.1 Write two assumptions of the law of demand.

Year 2021

Q.1 Explain the assumptions of Law of demand.

Q.2 Distinguish between Normal goods and Giffen goods.

Q.3 Explain the causes of decrease in demand.

Q.4 Distinguish between Substitute goods and complimentary goods.

Year 2022

Q.1 Explain extension of demand.Q.2 Explain giffin goods.

Q.3 Write the assumptions of Law of Demand

Year 2025

Q.1 What do you mean by Extension in Demand?Q.2 Explain any two factors which influence the demand for a commodity.

Q.3 Explain two assumptions of Law of Demand.Q.4 Write two assumption of consumer's equilibrium.

Q.5 Explain the total utility and marginal utility.

Unit 3 Producer Behavior and Supply**Year 2016**

Q.1 What do you mean by returns to scale?

Year 2017

Q.1 Explain the concept of diminishing returns to a factor.Q.2 Explain the concept of social cost.

Q.3 What do you mean by explicit costs?Q.4 Distinguish between supply and stock.

Q.5 Explain the concept of average fixed cost.Q.6 Distinguish between short period and long period.

Year 2018

Q.1 Give the difference between internal and external economies of scale.

Q.2 Explain the relationship between total revenue and marginal revenue.

Q.3 Define two difference between average production and marginal production.

Q.4 Explain the concept of private cost and social cost.Q.5 Explain the concept of producer's equilibrium.

Year 2019

Q.1 Write a note on producer's equilibrium.

Year 2020

Q.1 Explain the concept of diminishing returns to a factor.Q.2 Clear the concept of increasing return to a factor.
Q.3 What is the relationship between marginal cost and Average cost?

Year 2021

Q.1 What are the internal and external economies of scale?Q.2 Write two causes of decrease in supply.
Q.3 State two assumptions to the law of supply.Q.4 Define fixed cost and variable cost.
Q.5 Explain contraction in supply.Q.6 Write two causes of implementation of constant returns to factor.
Q.7 Define the concept of Private cost. Q.8 Explain increase in supply.

Year 2023

Q.1 Write two causes of implementation of increasing returns to factor.
Q.2 Explain the Law of supply with diagram.
Q.3 Calculate Elasticity of supply (Es) of the following table :

Price (Rs.)	Quantity (units)
2	40
3	60

Q.4 State two assumptions to the law of supply.
Q.5 What are Internal and External Economies of scale?
Q.6 Calculate Elasticity of supply (Es) of the following table :

Price (Rs.)	Quantity (units)
4	80
5	120

Q.7 Difference between Returns to factor and Returns to scale.
Q.8 Define Average revenue and Marginal revenue.

Year 2024

Q.1 What is meant by returns to factor?Q.2 Explain any three internal economies of scale.
Q.3 Write Producer's equilibrium.Q.4 What is production function?
Q.5 Explain any three external economies of scale.Q.6 Who is Producer and explain meaning of producer's equilibrium?
Q.7 Explain marginal product and average product.

Year 2025

Q. 1Define Average cost and Marginal Cost.Q.2 Explain any three external economies of scale.
Q.3 Explain the concepts of Private cost and social cost.Q.4 Explain the concept fixed cost and variable cost.
Q.5 What is the difference between Returns to a factor and returns to a scale?
Q.6 Distinguish between Average Production and Marginal Production

Unit 4 and 5 (Forms of market and Price Determination and Simple Applications of Tools of Demand and Supply Curves)

Year 2019

Q.1 Explain the features of perfect competition market

Year 2021

Q.1 Write the two characteristics of monopoly market.

Year 2023

Q.1 What is meant by Monopoly? Explain its four features.
Q.2 How is equilibrium price determined in case of change in demand when supply is constant?

Unit 6 (National Income and Related Aggregates)

Year 2016

Q.1 Differentiate between intermediate goods and final goods.

Year 2017

Q.1 Differentiate between Gross domestic product (GDP) and Gross National Product(GNP).
Q.2 Differentiate between Gross domestic product (GDP) and Net Domestic Product (NDP).
Q.3 Differentiate between monetary flow real flow of income.
Q.4 Differentiate between Stock and Flow.
Q.5 Differentiate between Net Domestic Product (NDP) and Net National Product (NNP).
Q.6 Write a note on the problem of double counting.

Year 2018

Q.1 Write the difference between domestic and National Income. Q.2 Distinguish between monetary and real flow of income.
Q.3 Write note on Private income and Personal Income. Q.4 Explain circular flow of income in the two sector economy.
Q.5 Write difference between intermediate and final goods.

Year 2020

Q.1 What is the difference between Open economy and Closed Economy?

Year 2021

- Q.1 What is meant by Macroeconomics? Discuss its Scope.
Q.2 Distinguish between Gross Domestic Product at Market Price and Gross National Product at Market Price.
Q.3 Explain the real flow of Income with the help of diagram. Q.4 Give the definition of primary and Secondary Sector.
Q.5 Distinguish between Intermediate goods and Final Goods.
Q.6 Explain the monetary flow of Income with the help of diagram. Q.7 Explain the concept of Domestic territory of a country.
Q.8 Explain the Income method to measure the National Income.

Year 2023

- Q.1 Explain the scope of Macro Economics.
Q.2 Explain the term stock.
Q.3 Explain the difference between Macro and Micro Economics.
Q. 4 Explain the concept of Money flow of income.

Year 2024

- Q.1 Write the precautions of income methods to measuring National Income. Q.2 Explain the monetary flow of Income.
Q.3 What do you mean by double counting problem? How can it avoided?
Q.4 Write the precautions of expenditure methods to measuring National Income. Q.5 What do you mean by stock?
Q.6 What is the difference between private income and personal income?
Q.7 What is the difference between domestic and national income?

Year 2025

- Q.1 Explain the term stock. Q.2 Explain the concept of Money flow of income.
Q.3 Explain the concept of Real flow of income

Unit No.7 Determination of Income and Employment**Year 2016**

- Q.1 If the value of MPS is 0.4, find the multiplier? Q.2 If the value of MPS is 0.5, find the multiplier?
Q.3 Calculate the value of multiplier, if the income increase to Rs. 100 crore on the investment of Rs. 20 in an economy.

Year 2017

- Q.1 If $MPS = 0.8$, find the value of multiplier. Q.2 If $MPS = 0.5$, find the value of multiplier.
Q.3 If $MPS = 0.9$, find the value of multiplier.

Year 2018

- Q.1 If $MPC = 0.6$, find the value of multiplier. Q.2 What is monetary policy? Who regulates it in India?
Q.3 If $MPS = 0.5$, find the value of multiplier. Q.4 If $MPS = 0.10$, find the value of MPC.

Year 2019

- Q.1 If average propensity to consume (APC) is 0.6, how much will be the average propensity to save (APS).
Q.2 Write a note on Investment multiplier. Q.3 If MPS is 0.10, how much will be the MPC?
Q.4 If MPS is 0.4 What will be the value of multiplier (K)?

Year 2020

- Q.1 What will be the value of multiplier if the value of MPC is 0.5?
Q.2 If the value of MPS is 0.4. Then calculate the value of Multiplier.
Q.5 Calculate the value of Multiplier if the value of MPC is 0.2.
Q.6 What is the difference between voluntary and involuntary unemployment?

Year 2021

- Q. 1 What is the difference between Induced investment and Autonomous Investment?
Q.2 What is the difference between voluntary and involuntary unemployment?

Year 2022

- Q.1 If $MPC = 0.4$, then what is the value of multiplier? Q.2 If $MPC = 0.6$, then what is the value of multiplier?
Q.3 If $MPC = 0.2$, then what is the value of multiplier? Q.4 Define full employment.

Year 2023

- Q.1 Calculate the Multiplier (K) of $MPC = 0.2$. Q.2 Explain the Deficient Demand.
Q.3 Calculate the Multiplier (K) of $MPC = 0.6$. Q.4 Explain the difference between Deficient Demand and Excess Demand.

Year 2024

- Q.1 If $MPC = 0.4$ then calculate the value of MPS . Q.2 If $MPC = 0.2$ then calculate the value of MPS .
Q.3 If $MPC = 0.3$ then calculate the value of MPS .

Year 2025

- Q.1 If income is Rs. 800 crore and saving is Rs.200 crore. Find out Average Propensity to Consume.
Q.2 If income is Rs. 500 crore and saving is Rs.100 crore. Find out Average Propensity to Consume.
Q.1 If income is Rs. 1000 crore and saving is Rs.750 crore. Find out Average Propensity to Consume.

Unit 8 (Money and Banking)**Year 2016**

- Q.1 Give the definition of fiat money and fiduciary money.

Year 2017

Q.1 What is the difference between cash reserve ratio and Statutory Liquidity ratio. Q.2 Write a note on Bank Rate.

Year 2018

Q.1 Explain the two primary functions of money.

Year 2019

Q.1 Explain the main functions of money.

Year 2022

Q.1 Define the definition of Money and Next Money.

Year 2023

Q.1 Explain the main functions of commercial bank.

Q.2 What is meant by Bank Rate?

Year 2024

Q.1 Explain any two secondary functions of Money. Q.2 Explain the drawbacks of Barter System of Exchange.

Q.3 Explain the main functions of Money.

Unit 9 (Government. Budget and The Economy)

Year 2018

Q.1 Write a note on Balanced and Unbalanced Budget. Q. 2 Write a note on Planned and non - planned expenditure.

Year 2023

Q.1 Calculate the Budget deficit from the following data:

i) Revenue Receipts	Rs.40,000	ii) Capital Receipts	Rs. 10,000
iii) Revenue expenditure	Rs. 50,000	iv) Capital expenditure	Rs. 20,000

Q.2 Calculate the Fiscal deficit from the following data:

i) Total Expenditure	Rs.60,000	ii) Revenue Receipts	Rs. 30,000
iii) Revenue Loans and other receipts	Rs. 15		

Q.3 Calculate the Primary deficit from the following data:

i) Fiscal Deficit	Rs. 50,000	ii) Interest Payments	Rs. 15,000
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Q.4 Give two main objectives of Budget. Q.5 Explain the importance of the Public expenditure.

Q.6 Give two feature of Tax. Q.7 Explain non- development expenditure with example.

Year 2025

Q.1 State any two objectives of Budget.

Q.2 What do you mean by budget?

Q.3 What are the two measures to control budgetary deficit?

Unit 10 (Balance of Payment)

Year 2017

Q. 1 Explain the concept of balance of payments. Q. 2 Explain the concept of balance of trade.

Q.3 What is the difference between spot market and forward market?

Year 2018

Q.1 What is the difference between BOP and BOT?

Year 2020

Q.1 Explain the concept of Balance of Trade.

Year 2023

Q.1 Explain the components of Current Account.

Year 2025

Q.1 Define Balance of Payment.

Q.2 Define Current Account.

Q.3 Define Capital account of balance of Payment.

Question Bank Of Three Marks Questions from 2016 to 2024

Unit 1 (Introduction)

Q.1 What is consumer's equilibrium? Give two conditions.

Year 2018 Q.1 What is PPC? Write its main characteristics.

Year 2020 Q.1 Explain Production possibility curve with diagram.

Q.2 What is Economic Problem? What causes it?

Q.3 Explain PPC with its features.

Q.4 What is consumer Equilibrium? What are its conditions?

Q.5 Explain the relationship between marginal utility and total utility.

Year 2021 Q.1 Explain relationship between TU and MU with the help of table and diagram.

Year 2024 Q.1 Explain Production Possibility Curve.

Q.2 Why does economic problem arise? (Any Two)

Year 2025

Q.1 Explain PPC with its features. Q.2 What is PPC? Write its main characteristics.

Q.3 What is economic problem? What is the reason for its Occurance?

Unit 2 (Consumer Behavior and Demand)

Year 2016

Q.1 Calculate Elasticity of demand from the following table

Per unit Price (Rs.)	Quantity Demanded(Kg)
4	25
5	20

Q.2 Calculate Elasticity of demand from the following table

Per unit Price (Rs.)	Quantity Demanded(Kg)
10	15
8	20

Q.3 Calculate Elasticity of demand from the following table

Per unit Price (Rs.)	Quantity Demanded(Kg)
8	30
7	35

Q.4 Explain the percentage method or proportionate method.

Year 2017

Q.1 Why does demand curve slopes downwards? Explain.

Q.2 Calculate Elasticity of demand from the following table

Per unit Price (Rs.)	Quantity Demanded(Kg)
10	20
9	25

Q.3 What are the causes of the increase in demand?

Q.4 Calculate Elasticity of demand from the following table

Per unit Price (Rs.)	Quantity Demanded(Kg)
4	20
5	5

Q.5 Calculate Elasticity of demand from the following table.

Per unit Price (Rs.)	Quantity Demanded(Kg)
10	100
12	50

Q.6 Explain the assumptions of the Law of demand.

Year 2018

Q.1 Calculate Elasticity of demand from the following table

Per unit Price (Rs.)	Quantity Demanded(Kg)
8	100
10	90

Q.2 What are the causes of the increase in demand?

Q.3 Calculate Elasticity of demand from the following table

Per unit Price (Rs.)	Quantity Demanded(Kg)
10	30
12	40

Q.4 Calculate Elasticity of demand from the following table

Per unit Price (Rs.)	Quantity Demanded(Kg)
8	40
10	30

Year 2019

Q.1 Explain the law of demand with the help of diagram.

Q.2 Calculate Elasticity of demand from the following table

Per unit Price (Rs.)	Quantity Demanded(Kg)
10	15
8	20

Q.3 Calculate Elasticity of demand from the following table

Per unit Price (Rs.)	Quantity Demanded(Kg)
5	100
4	140

Q.4 Calculate Elasticity of demand from the following table

Per unit Price (Rs.)	Quantity Demanded(Kg)
5	40
4	52

Year 2020

Q.1 Explain with the help of table and diagram the increase in demand and decrease in demand.

Q.2 Price of a commodity decreases from Rs. 10 to Rs. 5 per unit resulting of it , its demand increases from 100 units to 150 units. Calculate its price elasticity of demand.

Q.3 Calculate Elasticity of demand from the following table

Per unit Price (Rs.)	Quantity Demanded(Kg)
50	20
25	25

Q.4 Calculate Elasticity of demand from the following table

Per unit Price (Rs.)	Quantity Demanded(Kg)
10	20
5	40

Year 2021

Q.1 Why does demand curve slopes downwards?

Q.2 Price of a commodity falls from Rs. 10 to Rs. 9 per unit resulting of it , its demand rises from 20 units to 25 units. Calculate its price elasticity of demand.

Q.3 Explain the 'Percentage or Proportionate method of Price elasticity of Demand.

Q.4 Write definition of elasticity of Demand and Law of Demand.

Q.5 Explain the difference between extension of demand and Increase in demand with the help of diagram.

Q.3 Calculate Elasticity of demand from the following table

Per unit Price (Rs.)	Quantity Demanded(Kg)
5	100
4	140

Year 2022

Q.1 Explain the assumptions of Law of demand.

Q.2 Explain any three factors which influence the demand for a commodity.

Q.3 Calculate Elasticity of demand from the following table

Per unit Price (Rs.)	Quantity Demanded(Kg)
4	20
5	10

Q.4 Calculate Elasticity of demand from the following table

Per unit Price (Rs.)	Quantity Demanded(Kg)
10	15
9	20

Q.5 Calculate Elasticity of demand from the following table

Per unit Price (Rs.)	Quantity Demanded(Kg)
10	100
12	50

Year 2024

Q.1 Price of a commodity falls from Rs. 40 to Rs. 20 per unit resulting of it , its demand rises from 50 units to 80 units. Calculate its price elasticity of demand.

Q.2 Explain Extension in demand with the help of diagram.

Q.3 Price of a commodity falls from Rs. 50 to Rs. 25 per unit resulting of it , its demand rises from 15 units to 75 units. Calculate its price elasticity of demand.

Q.4 Price of a commodity falls from Rs. 20 to Rs. 10 per unit resulting of it , its demand rises from 30 units to 60 units. Calculate its price elasticity of demand.

Q.5 Explain decrease in demand with the help of diagram. Q.6 Explain contraction in demand with the help of diagram.

Year 2025

Q.1 Price of a commodity decreases from Rs. 50 to Rs. 25 per unit resulting of it , its demand increases from 15 units to 75 units. Calculate its price elasticity of demand.

Q.2 Price of a commodity decreases from Rs. 20 to Rs. 10 per unit resulting of it , its demand increases from 30 units to 60 units. Calculate its price elasticity of demand.

Q.3 Price of a commodity decreases from Rs. 40 to Rs. 20 per unit resulting of it , its demand increases from 50 units to 80 units. Calculate its price elasticity of demand.

Unit 3 Producer Behavior and Supply

Year 2016

Q.1 Define contraction of supply and decrease in supply. Q.2 Define extension of supply and increase in supply.

Q.3 What do you mean by Marginal Product and Average Product?

Q.4 Complete the following table:

Units of Production	Total Revenue (Rs.)	Average Revenue (Rs.)	Marginal Revenue (Rs.)
1	---	---	15
2	---	---	13
3	---	---	11

Q.5 Complete the following table:

Units of Production	Total Revenue (Rs.)	Average Revenue (Rs.)	Marginal Revenue (Rs.)
1	---	30	---
2	---	24	---
3	---	20	---

Q.6 Complete the following table:

Units of Production	Total Revenue (Rs.)	Average Revenue (Rs.)	Marginal Revenue (Rs.)
1	20	---	---
2	32	---	---
3	36	---	---
4	32	---	---

Q.7 Explain the concept of private cost.

Year 2017

Q.1 Explain mutual relationship between average cost and marginal cost briefly.

Q.2 Distinguish between average and marginal revenue curves.

Q.3 Distinguish between fixed cost and variable cost.

Q.4 Complete the following table:

Units of output	Total cost	Average cost	Marginal cost
1	---	9	---
2	---	8	---
3	---	7	---
4	---	6	---

Q.5 Complete the following table:

Units of output	Average cost	Total cost	Marginal cost
1	10	---	---
2	9	---	---
3	8	---	---
4	7	---	---
5	7	---	---

Q.6 Complete the following table:

Units of output	Average cost	Total cost	Marginal cost
1	15	---	---
2	14	---	---
3	13	---	---
4	12	---	---
5	11	---	---

Year 2018

Q.1 Distinguish between fixed cost and variable cost.

Q.2 Short run average cost curve is of U - shaped. Why? Explain it.

Q.3 Complete the following table:

Units of Production	Total Production (Rs.)	Average Production (Rs.)	Marginal Production (Rs.)
0	60	---	---
1	130	---	---
2	180	---	---
3	230	---	---
4	190	---	---

Q.4 Complete the following table:

Units of Production	Total Revenue (Rs.)	Average Revenue (Rs.)	Marginal Revenue (Rs.)
0	60	---	---
1	130	---	---
2	180	---	---
3	230	---	---
4	190	---	---

Q.5 Complete the following table:

Units of Production	Total Revenue (Rs.)	Average Revenue (Rs.)	Marginal Revenue (Rs.)
0	20	---	---
1	32	---	---
2	36	---	---

Year 2019

Q.1 Why is the average cost curve U-shaped?

Q.2 What are three stages of production according to law of variable proportion?

Q.3 Explain the relationship between TR, AR and MR. Q.4 Distinguish between short period and long period.

Q.5 Complete the following table:

Units of Production	Total Revenue (Rs.)	Average Revenue (Rs.)	Marginal Revenue (Rs.)
1	10	---	---
2	16	---	---
3	18	---	---
4	16	---	---

Q.6 Explain the internal economies of scale.

Q.7 Complete the following table:

Units of Production	Total Revenue (Rs.)	Average Revenue (Rs.)	Marginal Revenue (Rs.)
1	---	15	---
2	---	14	---
3	---	13	---
4	---	12	---

Q.8 Explain the main conditions of producer's equilibrium.

Q.9 Complete the following table:

Units of Production	Total Revenue (Rs.)	Average Revenue (Rs.)	Marginal Revenue (Rs.)
1	---	---	15
2	---	---	13

3	---	---	11
4	---	---	9

Year 2020

Q.1 Explain the relationship between average production and Marginal Production.

Q.2 What are causes of implementation of increasing return to scale ?

Q.3 Complete the following table:

Units of Production	Total cost (Rs.)	Average Revenue (Rs.)	Marginal Revenue (Rs.)
1	15	---	---
2	28	---	---
3	39	---	---
4	48	---	---
5	55	---	---
6	60	---	---

Q.4 Complete the following table:

Units of Sale	Marginal Revenue (Rs.)	Total Revenue (Rs.)	Average Revenue (Rs.)
1	10	---	---
2	8	---	---
3	6	---	---
4	0	---	---
5	-2	---	---

Q.5 Differentiate between Total fixed cost and Total variable cost.

Q.6 Differentiate between the law of returns to factor and the law of returns to scale.

Q.7 Explain relationship between Average cost and marginal cost curves.

Q.8 Complete the following table:

Units of Labour	Total production	Marginal Production	Average Production
1	50	---	---
2	90	---	---
3	120	---	---
4	140	---	---
5	150	---	---
6	150	---	---
7	140	---	---
8	120	---	---

Year 2021

Q.1 Explain three causes of the implementation of increases returns to a factor.

Q.2 Explain the concepts of social cost with example.

Q.3 Complete the following table:

Units of Production	Total Revenue (Rs.)	Average Revenue (Rs.)	Marginal Revenue (Rs.)
1	15	---	---
2	30	---	---
3	18	---	---

Q.4 Explain the return to increases scale.

Q.5 Complete the following table:

Units of Production	Total Revenue (Rs.)	Average Revenue (Rs.)	Marginal Revenue (Rs.)
1	10	---	---
2	14	---	---
3	12	---	---

Q.6 Explain Explicit cost and Implicit cost.

Q.7 Explain decrease in Supply with diagram.

Q.8 Complete the following table:

Units of Production	Total Revenue (Rs.)	Average Revenue (Rs.)	Marginal Revenue (Rs.)
1	5	---	---
2	8	---	---
3	6	---	---

Year 2023

Q.1 Explain fixed cost and variable cost

Q.2 Complete the following table:

Units of Production	Total Revenue (Rs.)	Average Revenue (Rs.)	Marginal Revenue (Rs.)
1	10	---	---
2	12	---	---
3	18	---	---

Q.3 Explain contraction in the supply with diagram.

Q.4 Complete the following table:

Units of Production	Total Revenue (Rs.)	Average Revenue (Rs.)	Marginal Revenue (Rs.)
1	15	---	---
2	20	---	---
3	30	---	---

Q.5 Explain with diagram to increase in Supply.

Q.6 Complete the following table:

Units of Production	Total Revenue (Rs.)	Average Revenue (Rs.)	Marginal Revenue (Rs.)
1	8	---	---
2	4	---	---
3	6	---	---

Year 2024

Q.1 Complete the following table:

Units of Production	Total Revenue (Rs.)	Average Revenue (Rs.)	Marginal Revenue (Rs.)
1	12	---	---
2	16	---	---
3	9	---	---

Q.2 Complete the following table:

Units of Production	Total Revenue (Rs.)	Average Revenue (Rs.)	Marginal Revenue (Rs.)
1	4	---	---
2	14	---	---
3	6	---	---

Q.3 Explain the concept of opportunity cost with the help of an example.

Q.4 Complete the following table:

Units of Production	Total Revenue (Rs.)	Average Revenue (Rs.)	Marginal Revenue (Rs.)
1	8	---	---

2	14	---	---
3	12	---	---

Year 2025

Q.1 Complete the following table:

Units of output	Total cost	Average cost	Marginal cost
1	---	15	---
2	---	40	---
3	---	90	---

Q.2 Complete the following table:

Units of output	Total cost	Average cost	Marginal cost
1	---	10	---
2	---	24	---
3	---	36	---

Complete the following table:

Units of output	Total cost	Average cost	Marginal cost
1	---	8	---
2	---	8	---
3	---	18	---

Q.4 Complete the following table:

Units of output	Total cost	Average cost	Marginal cost
1	---	9	---
2	---	8	---
3	---	7	---
4	---	6	---

Year 2025

Q.1 Match the following

	Cost Revenue	Formula
i)	TR	TC/Q
ii)	MC	AR/Q
iii)	AC	Change in TC/ Change in Q

Q.2 Match the following

	Income	Formula
i)	AR	CHANGE IN TR / CHANGE IN Q
ii)	TR	$AR \times Q$
iii)	MR	TR/Q

Q.3 Match the following

	Revenue Cost	Formula
i)	MC	TC/Q
ii)	AR	Change in TC/ Change in Q
iii)	TR	AR/Q

Unit 4 and 5 (Forms of market and Price Determination and Simple Applications of Tools of Demand and Supply Curves)

Year 2025

Q.1 What is the effect of ceiling price? Q.2 What is the effect of floor price? Q.3 How is normal price determined?

Unit 6 (National Income and Related Aggregates)

Year 2016

Q.1 Explain the concept of private income.

Q.2 Calculate Net Domestic Product (NDP) from the following data:

Items	Rs.
Net direct tax	200
Consumption on fixed capital	250
Operating surplus	500
Mixed income	2000
Compensation of employees	5000

Q.3 Calculate Net Domestic Product (NDP) from the following data:

Items	Rs.
Net direct tax	200
Consumption on fixed capital	250
Operating surplus	500
Mixed income	2000
Compensation of employees	5000

Q.4 Calculate Net Domestic Product (NDP) from the following data:

Items	Rs.
Gross domestic income	45000
Depreciation	3000
Intermediate goods and raw material	5000
Net factor income from abroad	2000

Year 2017

Q.1 Calculate Net Domestic Product (NDP) from the following data:

Items	Rs.
Gross domestic product at market Price	700
Depreciation	70
Indirect Tax	120
Subsidies	30

Q.2 Calculate Net Domestic Product at factor cost (NDPFC) from the following data:

Items	Rs.
Gross domestic product at market Price	800
Depreciation	90
Indirect Tax	120
Subsidies	30

Q.3 Calculate Net Domestic Product at factor cost (NDPFC) from the following data:

Items	Rs.
Gross domestic product at market Price	650
Depreciation	65
Indirect Tax	75
Subsidies	15

Year 2018

Q.1 What is the difference between Stock and Flow?

Q.2 Find Net Domestic Product at factor cost (NDPFC) from the following data:

Items	Rs.
Gross national product at market Price	1500
Net factor income from abroad	15
Indirect Tax	50
Economic Subsidies	30

Q.3 Write the precautions of 'Income Method' used to measure the national income.

Q.4 Find Gross National Product at Market Price (GNPMP) from the following data:

Items	Rs.
Net domestic Product at factor cost	18000
Indirect Tax	2000
Economic Subsidy	500
Net factor income from abroad	1000

Q.5 Find gross national disposable income from the following data:

Items	Rs.
National Income	2500
Indirect Tax	80
Economic Subsidies	35
Net current transfers from rest of the world	600

Year 2019

Q.1 Explain the monetary flow of income.

Q.2 Explain the real flow of income.

Q.3 What is meant by domestic territory of a country?

Q.3 Calculate national income from the basis of following data:

Items	Rs.
Compensation of employees	1500
Operating Surplus	1000
Consumption of fixed capital	130
Net indirect taxes	62
Mixed income of self - employed	200
Net factor income from abroad	400

Q.4 Calculate net domestic product at market price(NDPMP) from the basis of following data:

Items	Rs.
Compensation of employees	2000
Operating Surplus	500
Consumption of fixed capital	200
Net indirect taxes	100
Mixed income of self - employed	1500

Q.5 Calculate national income from the basis of following data:

Items	Rs.
Compensation of employees	22000
Operating Surplus	8000
Consumption of fixed capital	1700
Net indirect taxes	8000
Subsidy s	1500
Mixed income of self - employed	26000
Net factor income from abroad	-200

Year 2020

Q.1 Explain the monetary flow of income.Q.2 Explain the real flow of income.

Q.3 What is meant by domestic territory of a country?

Q.3 Calculate national income from the basis of following data:

Items	Rs.
Compensation of employees	1500
Operating Surplus	1000
Consumption of fixed capital	130
Net indirect taxes	62
Mixed income of self - employed	200
Net factor income from abroad	400

Q.4 Calculate net domestic product at market price(NDPMP) from the basis of following data:

Items	Rs.
Compensation of employees	2000
Operating Surplus	500
Consumption of fixed capital	200
Net indirect taxes	100
Mixed income of self - employed	1500

Q.5 Calculate national income from the basis of following data:

Items	Rs.
Compensation of employees	22000
Operating Surplus	8000
Consumption of fixed capital	1700

Net indirect taxes	8000
Subsidies	1500
Mixed income of self - employed	26000
Net factor income from abroad	-200

Year 2021

Three Marks Questions

Q.1 Describe the importance of National Income Accounting. Q.2 Explain the Product method to measure the National Income.

Q.3 Explain circular flow of Income and Product in Two Sector Model.

Year 2023

Three Marks Questions

Q.1 Calculate Net Domestic Product at factor cost (NDPFC) from the following data:

Items	Rs.
Gross domestic product at market Price	800
Depreciation	90
Indirect Tax	140
Economic Subsidies	30

Q.2 Explain any three precaution of income method to measure the national income.

Q.3 Calculate Net Domestic Product at factor cost (NDPFC) from the following data:

Items	Rs.
Gross domestic product at market Price	1000
Depreciation	100
Indirect Tax	150
Economic Subsidies	50

Q.4 Explain any three precaution of expenditure method to measure the national income.

Q.5 Calculate Net Domestic Product at factor cost (NDPFC) from the following data:

Items	Rs.
Gross domestic product at market Price	4000
Depreciation	500
Indirect Tax	800
Economic Subsidies	300

Q.6 Explain any three precaution of product method to measure the national income.

Year 2024

Q.1 Calculate Net Domestic Product at factor cost (NDPFC) from the following data:

Items	Rs.
Gross domestic product at market Price	400
Depreciation	40
Indirect Tax	30
Economic Subsidies	10

Q.2 Calculate Net Domestic Product at factor cost (NDPFC) from the following data:

Items	Rs.
Gross domestic product at market Price	600
Depreciation	20
Indirect Tax	40
Economic Subsidies	10

Q.3 Calculate Net Domestic Product at factor cost (NDPFC) from the following data:

Items	Rs.
Gross domestic product at market Price	500
Depreciation	10
Indirect Tax	30
Economic Subsidies	20

Year 2025

Q.1 Calculate Net Domestic Product at factor cost (NDPFC) from the following data:

Items	Rs.
Gross national product at market Price	500
Depreciation	10
Indirect Tax	30

Economic Subsidies	20
Net factor income from abroad	40

Q.2 Calculate Net Domestic Product at factor cost (NDPFC) from the following data:

Items	Rs.
Gross national product at market Price	400
Depreciation	40
Indirect Tax	30
Economic Subsidies	10
Net factor income from abroad	20

Q.3 Calculate Net Domestic Product at factor cost (NDPFC) from the following data:

Items	Rs.
Gross national product at market Price	600
Depreciation	20
Indirect Tax	40
Economic Subsidies	10
Net factor income from abroad	30

Unit 6 (National Income and related Aggregates)

Year 2016

Q.1 Describe the precautions of estimating national income by expenditure method

Q.2 Differentiate between final goods from intermediate goods, Explain Briefly.

Q.3 Describe the precautions of estimating national income by income method.

Year 2025

Q.1 Match the Following

	Column A	Column B
i)	K	Change in Y – Change in C
ii)	Change in Y	Change in Y / change in I
iii)	Change in I	Change in C + Change in I

Q.2 Match the Following

	Column A	Column B
i)	APS	Change in C – Change in Y
ii)	MPC	I = one
iii)	MPC+ MPS	s/y

Q.1 Match the Following

	Column A	Column B
i)	MPS	C/Y
ii)	APC	C+I+G+ (X-M)
iii)	AD	Change in s/ change in y

Unit 8 (Money and banking

Year 2016

Q.1 What is meant by Say's Law of Market?

Q.2 Differentiate between indirect and direct taxes.

Unit 9 (Government. Budget and The Economy)

Q.1 Explain any three nontax revenue receipts. Q.2 Explain the difference between Direct Tax and Indirect tax.

Q.3 Distinguish between Development and Non - Development expenditure. Q.4 Write down the merits of Balanced Budget.

Q.5 Write down the demerits of Deficit Budget. Q.6 What are the main objectives of the Budget ? Describe?

Unit 10 (Balance of Payment)

Year 2025

Q.1 What do you mean by spot market? Explain its features Q.2 What do you mean by forward market? Explain its features

Q.3 What do you mean by Foreign exchange market? Explain their functions.

Question Bank Of Four Marks Questions from 2016 to 2024

Unit 1 (Introduction)

Unit 2 (Consumer Behavior and Demand)

Year 2020

Q.1 Explain the factors effecting demand .

Year 2025

- Q.1 Why does demand curve slopes downward?
Q.2 Explain increase in demand and decrease in demand with the help of diagram.
Q.3 Explain the Law of Demand with the help of table and diagram.

Unit 3 Producer Behavior and Supply

Year 2016

- Q.1 What do you mean by Law of decreasing returns to factor? What are its causes?
Q.2 Explain the concept of variable cost with the help of table and diagram.
Q.3 Explain the concept of real cost and opportunity cost.
Q.4 What do you mean by Law of Increasing returns to factor? What are its causes of its implimentation?

Year 2017

- Q.1 Distinguish between returns to factor and returns to scale.
Q.2 What are internal and external economies of scale? Explain it.
Q.3 What is meant by diminishing returns to scale? How do they arise?

Year 2018

- Q.1 What is the difference between decreasing returns to factor and increasing returns to factor?
Q.2 What do you mean by extension of supply and increase in supply?
Q.3 What is meant by diminishing returns to factor with diagram?

Year 2019

- Q.1 Explain the law of increasing returns to factor.Q.2 Explain constant returns to factor.
Q.3 Explain diminishing returns to factor.

Year 2020

- Q.1 Clarify the concept of extension in supply and contraction in supply with the help of table and diagram.

Unit 4 and 5 (Forms of market and Price Determination and Simple Applications of Tools of Demand and Supply Curves)

Year 2016

- Q.1 What do you mean by equilibrium price? Explain the equilibrium price determination under perfect competition.
Q.2 What is perfect competition market, explain with its features.

Year 2017

- Q.1 Explain the four main features of monopoly market. Q.2 Explain the four main features of monopolistic competition.
Q.3 Explain the four main features of perfect competition.

Year 2018

- Q.1 Define perfect competition market. Explain its characteristics.
Q.2 What is meant by monopoly market? Explain its four characteristics.
Q.3 Define monopolistic market. Explain its four features.

Year 2019

- Q.1 What will be the effect on equilibrium price when supply changes but demand remains constant?

Five Mark Questions

Unit 4 and 5 (Forms of market and Price Determination and Simple Applications of Tools of Demand and Supply Curves)

- Q.1 Distinguish between monopoly and perfect competition.
Q.2 Distinguish between monopolistic competition and perfect competition.
Q.3 Distinguish between monopoly and monopolistic competition.

Five Mark Questions

- Q.1 Explain the main features of monopolistic competition.

Year 2024

- Q.1 Explain the four features of the monopolistic competitions. Q.2 Explain the four features of the monopoly market .
Q.3 Explain the four features of the perfect competitions.

Year 2025

- Q.1 Define Perfect Competition. Why firm is a Price taker under Perfect competition. (A)
Q.2 Explain the four features of the perfect competitions. (B) Q.3 Explain the four features of the perfect competitions. (C)

Unit 6 (National Income and Related Aggregates)

Year 2020

- Q.1 What are the precautions to measure National Income by Expenditure method?

Unit No.7 Determination of Income and Employment

- Q.1 How is equilibrium level of income and employment determined according to aggregate supply and aggregate demand approach?
Q.2 What is excessive demand ? How can it be controlled by fixed measures?
Q.3 Explain briefly and diagrammatically the situation of under employment equilibrium.

Unit 8 (Money and Banking)

Year 2019

- Q.1 Explain the primary functions of commercial bank of a country. Q.2 Explain five functions of the central bank.

Year 2025

- Q.1 Describe the main features of Money.
 Q.2 Explain the main problem of barter system.
 Q.3 What is money? Describe its main functions.

Unit 9 (Government. Budget and The Economy)

Year 2016

- Q.1 What is budget? What are the objectives of budget?
 Q.2 Explain the main objectives of budget.
 Q.3 Explain the concept of deficit budget. Explain the merits and demerits.

Year 2017

- Q.1 Explain the main objectives of budget. Q.2 Explain the importance of public expenditure.
 Q.3 Explain the various measures to control budgetary deficit.

Year 2018

- Q.1 Explain the concept of deficit budget. Write its merits and demerits. Q.2 Explain the main objectives of budget.
 Q.3 Explain the concept of deficit financing. Write its advantages.

Year 2019

- Q.1 Explain the importance of public expenditure. Q.2 Explain the various measures to control budgetary deficit.
 Q.3 Explain the difference between balanced and unbalanced budget.

Year 2020

- Q.1 Explain the difference between balanced and unbalanced budget. Q.2 Explain the main objectives of budget.
 Q.3 Explain the importance of public expenditure.

Year 2025

- Q.1 Explain the importance of public expenditure. Q.2 What is balanced budget? State its merits and demerits.
 Q.3 Explain the concept of deficit financing. Write its merits and demerits.

Unit 10 (Balance of Payment)

Year 2017

- Q.1 How is equilibrium rate of exchange determined?
 Q.2 What is meant by disequilibrium in the balance of payments (BOP) Explain its types.
 Q.3 What is meant by the balance of payments (BOP) Explain the different items consisting in it.

Question Bank Of Five Marks Questions from 2016 to 2025

Unit 1 (Introduction)

Year 2021

- Q.1 What is PPC? Illustrate with the help of a table and Diagram.

Year 2022

- Q.1 Explain the relationship between total utility and Marginal Utility.

Unit 2 (Consumer Behavior and Demand)

Year 2016

- Q.1 What do you mean by demand? Explain the factor effecting the demand.
 Q. 2 Explain diagrammatically increase in demand and decrease in demand.

Year 2017

- Q.1 Explain the degrees of price elasticity of demand.

Year 2018

- Q.1 Explain the Law of demand. Q.2 Define market demand . Explain the factors effecting it.
 Q.3 Explain increase in demand and decrease in demand with the help of diagrams.

Year 2019

- Q.1 Explain the graphic method to measure the price elasticity of demand.
 Q.2 Why does demand curve slopes downwards? Explain.

Year 2020

- Q.1 Why does demand curve slopes downwards? Explain.

Year 2021

- Q.1 Explain the 'Total expenditure method' of Price elasticity of Demand with the help of diagram.

Year 2022

- Q.1 Explain pictorially the degrees of price elasticity of demand. Q.2 Why does demand curve slopes downwards? Explain it.
 Q.3 What is meant by Law of demand ? Explain with the help of a table and diagram.

Year 2024

- Q.1 Why does Demand curve slopes downward from left to right?
 Q.2 Explain the law of demand with the help of diagram.
 Q.3 Explain the exceptions to the law of Demand.

Year 2025

- Q.1 Explain the factors affecting the magnitude of Price elasticity of demand.
 Q.2 Illustrate the " Total expenditure method" of measuring price elasticity of demand.

Q.3 Explain pictorially the degrees of price elasticity of Demand.

Unit 3 Producer Behavior and Supply

Year 2016

Q.1 Explain the Law of variable proportion.

Q.2 What do you understand by producer's equilibrium? What are its conditions?

Q.3 What do you mean by Supply and what is law of supply?

Year 2017

Q.1 Explain the Law of variable proportion.

Q.2 Distinguish between extension of supply and increase in supply with the help of diagrams.

Q.3 Explain the degrees of elasticity of supply with the help of diagram. Q.4 Explain the factors affecting elasticity of supply.

Q.5 Explain the law of increasing returns to factor. Why does this law operate?

Year 2018

Q.1 Explain the Law of Supply with the help of diagram. Q.2 Distinguish between returns to a factor and returns to scale.

Year 2019

Q.1 Explain the factor effecting supply. Q.2 Explain the degrees of elasticity of supply with the help of diagram.

Year 2020

Q.1 Explain the degrees of price elasticity of supply.

Q.2 What is meant by supply? What are the factors affecting the supply of a commodity? Explain.

Q.3 Explain the Law of variable proportion with diagram.

Year 2021

Q.1 Explain the factor that effect supply of a commodity. Q.2 Explain the factors effecting elasticity of Supply.

Q.3 Explain the degrees of Elasticity of Supply with the help of diagram.

Year 2023

Q.1 Describe the degrees of elasticity of supply with the help of diagram.

Year 2024

Q.1 What is meant by increasing returns to a factor? Explain the reasons of implementation of increasing returns to factor.

Q.2 What is meant by diminishing returns to a factor? Explain the reasons of implementation of diminishing returns to factor.

Q.3 What is meant by constant returns to a factor? Explain the reasons of implementation of constant returns to factor.

Year 2025

Q.1 What is meant by diminishing returns to a Scale? Explain the reasons of implementation of diminishing returns to scale.

Q.2 Explain the Law of variable proportion with the help of diagram.

Q.3 What is meant by increasing returns to a scale? Explain the reasons of implementation of increasing returns to scale.

Unit 4 and 5 (Forms of market and Price Determination and Simple Applications of Tools of Demand and Supply Curves)

Year 2016

Q.1 What is monopoly? What are its features?

Q.2 What will be the impact on equilibrium price, when supply changes but demand remain constant?

Q.3 Give the definition of monopolistic competition. Explain its main features.

Year 2017

Q.1 Show with the help of diagram the effects of an increase in demand and supply on equilibrium price.

Year 2018

Q.1 What will be the effect on equilibrium price when demand changes but supply remains constant?

Q.2 What will be the effect on equilibrium price when supply changes but demand remains constant?

Q.3 What will be the impact on equilibrium price, when both demand and supply curve decreases?

Year 2019

Q.1 Distinguish between monopoly and perfect competition.

Q.2 Distinguish between monopolistic competition and perfect competition.

Q.3 Distinguish between monopoly and monopolistic competition.

Year 2020

Q.1 What will be the effect on equilibrium price when supply of a commodity is perfectly inelastic and demand of that commodity increases, explain with the help of diagram?

Q.2 What is meant by monopoly market? Explain its main features.

Q.3 Explain with the help of diagram that what will be the impact on equilibrium price, when the demand of commodity remain constant but supply changed.

Q.4 Explain with the help of diagram that what will be the impact on equilibrium price, when the supply of commodity remain constant but demand changed.

Year 2021

Q.1 How is equilibrium price determined in case of change in demand when supply is constant?

Q.2 How is equilibrium price determined in case of change in supply when demand is constant?

Q.3 What is meant by Perfect competition Market? Explain its four features.

Year 2023

Q.1 Explain the features of Perfect competition.

Q.2 What is meant by Monopolistic competition ? Explain four features of Monopolistic competitions.

Q.3 Explain the features of monopoly Market.

Year 2024

Q.1 Give pictorial explanation of the effect on equilibrium price when demand and supply both increases.

Q.2 Give pictorial explanation of the effect on equilibrium price when demand and supply both decreases.

Q.3 What is equilibrium price? Explain the Equilibrium price determined under the perfect competition.

Year 2025

Q.1 Show with the help of diagram when demand and supply increases then what will be the effect on equilibrium price?

Q.2 What will be the impact on equilibrium price, when both demand and supply decreases?

Q.3 Explain with the help of diagram that what will be the impact on equilibrium price, when the demand of commodity remain constant but supply changed.

Unit 6 (National Income and Related Aggregates)

Year 2016

Q.1 What do you mean by double counting problem? How can it avoided? Explain it with an example.

Q.2 What is national income accounting? What are its importance?

Year 2017

Q.1 Explain the income method to measure the National Income.

Q.2 Explain the expenditure method to measure the National Income.

Q.3 Explain the value added method to measure the National Income.

Year 2018

Q.1 Explain the expenditure method to measure the National Income.

Q.2 Explain the income method to measure the National Income.

Year 2019

Q.1 Explain the income method to measure the National Income.

Q.2 What do you mean by double counting problem? How can it avoided? Explain it with an example.

Q.3 Explain the precautions required that taken in estimating national income by expenditure method.

Year 2020

Q.1 How National income is being calculated by income method? Explain.

Q.2 Explain the product method to measure the National Income.

Year 2021

Q.1 Estimate Net Domestic Product at Factor Cost (NDPFC) from the following data:

Items	Rs.
Gross domestic product at market Price	1400
Depreciation	140
Indirect Tax	240
Subsidies	60

Q.2 Explain the expenditure method to measure the National Income.

Q.3 Estimate Net National Income (NNI) from the following data:

Items	Rs.
Gross domestic product	45000
Depreciation expenses	3000
Intermediate goods and Raw material	15000
Net Factor Income from Abroad	1000

Q.4 Estimate Net Domestic Product at market Price from the following data:

Items	Rs.
Compensation of Employees	2000
Net Indirect Taxes	100
Depreciation expenses	200
Operating Surplus	500
Mixed Income of Self Employed	1500

Q.5 Explain circular flow of Income and Product in four Sector Model.

Year 2024

Q.1 Explain in brief the product method of measuring National income.

Q.2 Explain in brief the expenditure method of measuring National income.

Q.3 Explain in brief the income method of measuring National income.

Unit No.7 Determination of Income and Employment

Year 2016

Q.1 What is deficit demand? What are its main consequences?

Year 2017

- Q.1 How is equilibrium level of income or employment determined?
Q.2 Explain diagrammatically the situation of underemployment equilibrium.

Year 2018

- Q.1 Determine income and employment level of equilibrium in the economy with the help of aggregate demand and aggregate supply.
Q.2 Explain the determination of equilibrium level of output, income and employment with the help of saving and investment curves.
Q.3 Distinguish between the full employment and underemployment equilibrium.

Year 2019

- Q.1 Explain three components of aggregate demand .
Q.2 Explain the determination of equilibrium level of income and employment with the help of saving and investment curves.
Q.3 Explain the Keynesian Version of equilibrium found between AS and AD.

Year 2020

- Q.1 Explain the theory determination of equilibrium level of income and employment with the help of Aggregate Demand and Aggregate Supply Curve.

Year 2023

- Q.1 Explain the theory determination of equilibrium level of income and employment with the help of Aggregate Demand and Aggregate Supply Curve. (A)
Q.2 Explain the theory determination of equilibrium level of income and employment with the help of Aggregate Demand and Aggregate Supply Curve. (B)
Q.3 How do the saving and investment affect the determination of output, income and employment equilibrium? Explain with the help of diagram.

Year 2025

- Q.1 The income of an economy is Rs. 1500 crore and marginal propensity to consume (MPC) = 0.65, if a country invests Rs.300 crore, then find out the gross national income?
Q.2 The income of an economy is Rs. 2000 crore and marginal propensity to consume (MPC) = 0.25, if a country invests Rs.500 crore, then find out the gross national income?
Q.3 The income of an economy is Rs. 8000 crore and marginal propensity to consume (MPC) = 0.75, if a country invests Rs.400 crore, then find out the gross national income?

Unit 8 (Money and Banking)**Year 2016**

- Q.1 What is the definition of Central bank? Explain its main functions. Q.2 What are the main functions of Commercial bank?
Q.3 Give the definition of money. What are its main functions?

Year 2017

- Q.1 Write the main functions of money. Q.2 Explain the difficulties of barter system of exchange.
Q.5 Define money. Explain its main functions.

Year 2018

- Q.1 Describe briefly the main functions of central bank of a country. Q.2 Describe briefly the main functions of commercial bank of a country.
Q.3 Give the difference between central bank and commercial bank.

Year 2020

- Q.1 Explain the main functions of Central Bank. Q.2 Explain the functions of Commercial bank.
Q.3 Explain the main functions of Money.
Q.4 What is the difference between Commercial Bank and Central Bank?

Year 2022

- Q.1 Define Commercial Bank. Explain the main functions of Commercial Bank. Q.2 Explain main functions of Central Bank.
Q.3 Explain primary or main functions of Money.

Year 2023

- Q.1 What is the difference between Commercial Bank and Central Bank?

Year 2024

- Q.1 Explain the functions of Commercial Bank. Q.2 Difference between the functions of Central Bank and Commercial Bank.
Q.3 Explain the social functions of Commercial Bank.

Year 2025

- Q.1 Explain the main functions of Central Bank. Q.2 What is the difference between Commercial Bank and Central Bank?
Q.3 Explain the social functions of Commercial bank.

Unit 9 (Government. Budget and The Economy)**Year 2024**

- Q.1 Explain the various measures to control Budgetary deficit.
Q.2 What is meant by the concept of Deficit Financing ? What are its advantages and disadvantages.

Q.3 Explain the importance of Government expenditure in Economy.

Unit 10 (Balance of Payment)

Year 2016

Q.1 What is meant by the balance of payments (BOP) Explain the measures to correct the disequilibrium in balance of payment.

Q.2 What is meant by disequilibrium in the balance of payments (BOP) Explain its causes.

Q.3 What do you mean by flexible exchange rate system? What are advantages and disadvantages?

Year 2018

Q.1 What is meant by disequilibrium in the balance of payments (BOP) Explain its causes.

Q.2 What is meant by the balance of payments (BOP) Explain the measures to correct the disequilibrium in balance of payment.

Year 2019

Q.1 What is the difference between BOP and BOT?

Q.2 How is equilibrium rate of exchange determined? Explain with the help of diagram.

Q.3 State the merits and demerits of flexible rate of exchange.

Year 2020

Q.1 What is meant by unfavorable in the balance of payments (BOP)? What are its causes.

Q.2 What is flexible exchange rate system? Explain its merits and demerits .

Q.3 Explain the measures to correct unfavorable balance of payment.

Year 2021

Q.1 What do you mean by Exchange rate? How is equilibrium rate of exchange determined?

Q.2 What is fixed Exchange Rate System? Explain its advantages and disadvantages.

Q.3 What is flexible Exchange Rate System? Explain its advantages and disadvantages.

Year 2023

Q.1 What is the difference between BOP and BOT?

Q.2 What is meant by the balance of payments (BOP) Explain the measures to correct the disequilibrium in balance of payment.