Kadi Sarva Vishwa Vidyalaya

Gandhinagar

Ph.D Course Work

For

FACULTY OF ECONOMICS

Year: 2010-11

Economics

Course Content

1. **Micro and Macro Economics-**Importance, uses and difference
2. **Theory of Demand-**Cardinal and Ordinal measurement theory, Revealed preference, Hicks Logical Ordering theory, Elasticity.
3. **Theory of Production and Cost-**Law of variable proportion, Production function with two variables, Returns to scale, Cost of production and cost.
4. **The Theory of Distribution-** Marginal productivity, Land, Interest, Profit and wages theories.
5. **Market Theory-** All types of markets, firm and industry behavior in different markets, Price discrimination.
6. **Theory of Income and Employment-** Classical and Keynesian theory.
7. **National Income-** Concepts and methods
8. **Consumption and Investment Theory** – Keynes theory, MEC, Propensity to save and invest, Life cycle theory of consumption, permanent theory of consumption.
9. **Money and Banking-** Functions of money. Commercial bank, and RBI, Monetary policy.
10. **Theory of intervention-** Tariff and Import quota, Free trade and protection.

Reference Books

1. Micro Economics by H.L.Ahuja
2. Micro Economics by John Kennedy
3. Principles of Economics by Mankiw (Thomson Publication)
4. International Trade By M.L.Jhingan
5. Macroeconomics By H.L.Ahuja
6. Introductory Micro and Macro Economics By V.K. Ohri and others
7. Macroeconomics By M.L.Jhingan
8. MacroeconomicsBy D.M.Mithani
9. Macro economics By Dwivedi
10. Micro Economics by R Cauvery

<u>Economics</u>

<u>Model Question Paper</u> M.Marks-100

1. **Select the right choice in the questions given below [15]**

Q1. The speculative demand for money depends on –

a) Interest rate
b) Income
c) Profit
d) Output

Q2. When a linear consumption function undergoes a parallel shift downwards, the investment multiplier---

a) Falls
b) Rises
c) Doubles
d) Does not change

Q3. In classical theory of employment what ensures the perfect clearing of the labour market-

a) Flexibility of interest rate
b) Flexibility of wage rate
c) Flexibility of prices of the commodity
d) Classical assumption of perfect competition in the product market

Q4. Who among the following economist introduced the concept of permanent income as a determination of consumption function-

a) M. Friedman
b) J.M Keynes
c) J.S Duesenberry
d) N.Kaldor

Q5. The quantity theory of money was first propounded by ---

a) D.Ricardo
b) T.R Malthus
c) Davanzatti

d) D.Hume

Q6. In the case of an inferior commodity, the income elasticity of demand is

a) Positive
b) Unitary
c) Negative
d) Infinity

Q7. Consumers surplus if the highest in case of

a) Necessities
b) Comforts
c) Luxuries
d) Conventional necessities

Q8. Slutsky's theory in consumption relates to

a) Income effect
b) Substitution
c) Complementary of goods
d) Both a and b

Q9. All money costs can be regarded as:

a) Social cost
b) Opportunity costs
c) Explicit costs
d) Real costs

Q10. Which is an inverted 'U' shaped curve—?

a) AC
b) MC
c) TC
d) FC

Q11. According to Keynes when the Great Depression, the government should have

1. Done nothing
2. Decreased money supply
3. Had a large increase in government spending
4. Enacted high tariff, such as smooth Hawley Tariff.

Q12. Which of the following is a component of M-1

1. Saving deposits
2. Credit card
3. Checkable deposits
4. Gold

Q13. Which of the following income tax is regressive?

1. The federal income tax
2. The state income tax
3. The sales tax
4. The Medicare tax

Q14. India's Wage policy is based on

1. Cost of Living
2. Standard of Living
3. Productivity
4. None of these.

Q15. In our country which of the following affects poverty line the most.

1. Level of prices
2. Production quantum
3. Per capita income
4. Quantum of gold resources

II. Fill the blanks: **[5]**

Q1. ______ refers to a period when______ decreases

1. Recession, Growth rate of nominal GDP
2. Recession, Growth rate of output per person
3. Productivity growth slowdown growth rate of real GDP
4. Productivity growth slowdown, growth rate of output per person

Q2. Tax cuts tent to______ domestic Investment and ____net exports.

1. reduce, reduce
2. reduce, increase
3. increase, reduce
4. increase, increase

Q3. ________ deals with the description and explanation of the economic behavior of the individuals and firms

1. Positive economics
2. Normative economics
3. Macro economics
4. Micro economics

Q4. Demand is not ______ term it is ______concept

1. an absolute, a relative
2. a relative, an absolute
3. a short term, a long term
4. a long, a short term

Q5. Total utility is maximum when marginal utility is :

1. Zero
2. Its Highest point
3. Equal to average utility
4. Average utility is maximum.

III. Very Short questions **[30]**

1. Define Demographic Transition.
2. State Friedman's Quantity theory.
3. What is Autonomous Investment?
4. What does budget line indicate?
5. What are the assets of Commercial Bank?
6. Variable Proportion theory
7. Define Balance Of Payment.
8. Features of monopolistic competition
9. Product method for estimating national income
10. Cross elasticity of demand.

IV. Short questions: [20]

1. Explain the price elasticity with its types.
2. Explain the law of diminishing marginal utility.
3. Explain the revealed preference theory of demand.
4. Explain the AC and MC relationship.
5. Explain the Law of returns to scale theory.

V. Long Questions: [30]

1. Explain the Keynesian psychological law of Consumption.

2. Explain the Marginal efficiency of capital with the factors affecting it.

3. Explain the quantity theory of money given by Friedman.

4. Explain the short run and long run equilibrium of a firm under perfect competition.

5. Explain the credit creation process of commercial bank.
