Aasawa Brother College

Time: 3hr

Name: Rohan Raghunath Sawant
Roll No:
Std: 10th [A]

(1)

Subject: ECONOMIC
Prelim Test No. 1

Q.1] (A)

(i) Micro economics is a Study of individual economic unit

(ii) Indirect demand is also knonon as derived demand

(iii) Under monopoly there is existence of Single Seller

(iv) Produced means of production is known as Entrepreneur.

(v) Budget is the estimate of the revenue and expenditure of the coming year.

(B)

(1) microeconomics : slicing method :: Macroeconomics : Lumping method

(2) Furniture from wood : from Utility :: Study book : Knowlage Utility.

3) Capital : Derived demand :: Umbrella : Direct demand.

(4) Prefectly elastic demand : Ed = ∞ :: Ed = 0 : Prefectly Inelastic demand.

(5) Perfect competition : Free entry and exist :: Barriers to entry : Monopoly.

(C)

(1) (3) Both (A) and (R) True and (R) is the correct explanation of (A).

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(2) (1) A is true but R is false.

(3) (3) Both (A) and (R) are true and R is the only explanation of A.

(4) (1)(A) is true but (R) is false

(5) (1)(A) is true but (R) is false

(6) (2)(A) is false but (R) is true.

Q.2] (1)
→ Concept : Indivakl Study.
Explaintion : In the ~~Mâer~~ economy when we Study indiuaual Income, or Induaual firm or person then it includes in micro economy it's is the feacture of micro economy, In the follwing ~~co~~ Setentment Gauri collected information about particular Income of Indituaul firm.

(2) Concept : Time Utility.
Explaintion :
In the time Utility when commodity or goods consume in ~~Ser~~ Ceritain time then it's called as time Utility. It changes as per time to time. In the following Sentence Salman purchased Sweater in winter season for father.

(3) Concept : factor's of production
Explaintion : In the following Statement Rahul paid Wages and paid Bank Loan Interest in both are inculded in factor's of production. Labour required Wages and Capital in these conditution loan required Intrest.

Q.2) (B)

(1) (i) In the habitual goods are habit's of the particular consumer.
(ii) As we study when habitual goods consume by consumer demand instand of decreasing it is increasing.
(iii) In elastic means change in consumation from one variable to other variable and it depand.
(iv) In case of habitual goods it's not change is become costant.
From above all resones demand for habitual goods is normally inelastic.

(3) (i) Macro economic is aggrgiate study or whole study of economic.
(ii) In macro economic we study Income of Nation, Empolyment not a particular Industry or farm.
(iii) for study mainly use lumping method because the scope of macro economic is wider.
the scope of macro economic is general that
(iv) Equarbilim of macro economic is general that way in macro economy cannot concerned with Indivaual variables.
From all above resons macro economic is concerned with macro economic variables.

(4) (i) In the rate of Interest when high the depost of money is less.
(ii) When rate of Interest decreaseing then the value of deposite is increasing.
(iii) When It statment for following condition is for constant Income group people or for constant Income. (iv) When Rate of Interest fixed people deposite for fixed Income.
from above statement Rate of interest on fixed deposite is high.

Q.3] (A)

(2) Land and Capital

Land	Capital.
Meanning	
Land is that place in that business is Work properly.	Capital is that money is required at Starting a business and then working transation Capital Needed.
Required	
Land Required Rent	Capital required Intrest.
What is basic.	
Land is part of factor's of production	Capital is part of factors of production.

(3) Partial Equilibrium and General equilibrium.

Partial Equilibrium	General equilibrium
In Economic.	
Partial Equilibrium is use in micro economic	In General equilibrium is use in macro economic.
Meanning	
In equilibrium study is done by indiual factors then it's Callad partial Equi.	In equilibrium study is done by Whole economy then that is known general Eq
Scopte	
In partial Equilibrium Scope is limited	In general equilibrium scope is Wider.

(5) Central Bank and Commerical Bank.

(3)

Central Bank	Commerical Bank
Meaning	
Central Bank is apex Bank of Country. It is Reserve Bank of India	Commerical Bank is finaical instiution for deposit :
Function	
Manking monentry policy or finacial policy for Country other Bank	Commercial Bank two function (i) Primery function - Deposits (ii) secondry function : Loans advance
Bank for	
Central Bank is Bankers Bank and Bank for government	Commerical Bank for general Public deposite the money and lending Loan's and advances.

Q. 3) (B)

(1) Giffen's paradox :

(i) Giffen's parddox means infiral good low quality good or also called Cheper goods.

(ii) In Giffen's paradox is Execution of Law of deemand.

(iii) When price increase of Giffen's' goods then quality also increase but. When price decrease then quality also decrease. in Law of demand we Studie when price low hige demond but it's inverse

(iv) In giffen's paradox relationship price and quality demand is direct and positive relationship.

Q.3] (B)

(2) Income elasticity of demand.

→ (i) When perstage change of Quality demand due to persentage change Income of commodity

(ii) In these elasticity of demand of Income is denoted by (Y).

(iii) $\frac{\% \Delta \text{ in } Q.D}{\% \Delta \text{ in } Y}$

(iv) Formula for calculation Income elasticity.

$$\frac{\% \Delta \text{ in } QD}{\% \Delta \text{ in } Y} \times \frac{OY}{OQD}$$

Q.4)

(1) Introduction :

(i) Law of demand is given by 'alfred marshall'.

(ii) In the year 1980 in the 'book of 'principle of economy'.

(iii) Law of demand also called as 'Law of purchase'.

(iv) In these Law relationship price and Quality demand is inverse, negative and Indirect.

Meaning :

(i) When price rise then quality demand decrease

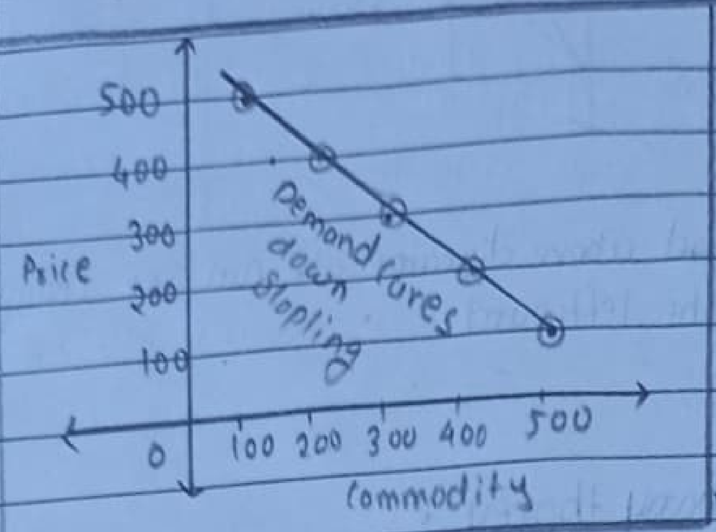
(ii) When fall in price then quantity demanded Increasing.

Statement of Law :

(i) Accourding to alfred marshall "other thing remain constant" When higher is price, then Lower is Quantity demand When Lower is price of commodity larger is quality demanded.

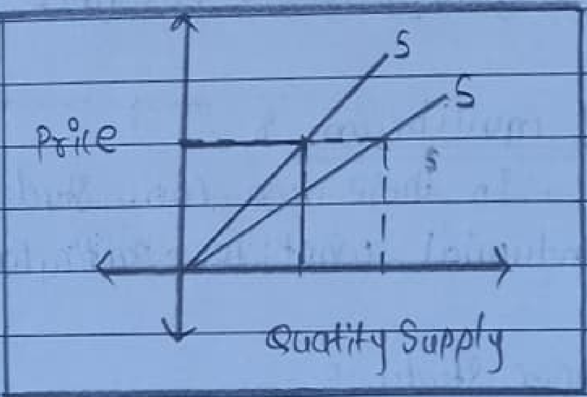
Sculde 8

Price	100	200	300	400	500
commodity	500	400	300	200	100



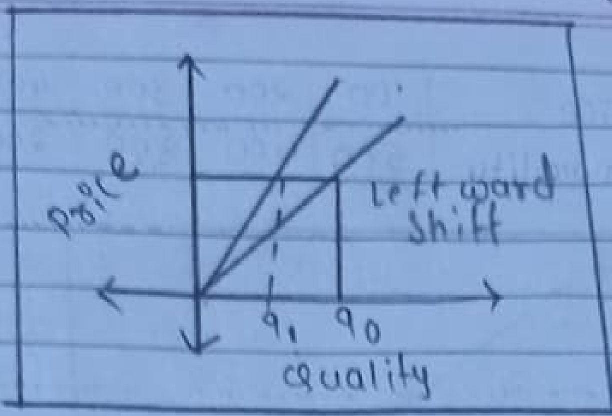
(2)
→ (i) Supply is divided in to two part in other factor's (i) Increase in supply (ii) Decrease in supply.

(i) Increase in supply.
When quality Supply is Increase due to rise in other factor's and (price remain constant).



(ii) In these ~~to~~ above diagrame the supply of quality is change the shift to Righit wards.

(iii) Decrease in Supply 8
When quantity supply is decrease due to change in other facters and price remain constant.



(iv) In these ~~ad~~ above digrame we can see change of shift to the leftward.

(3)

→ **Price ~~Thoery~~ thorey :**

In the ~~macr~~ micro economic when the first and most important is price thoery. price is determinant By demand and supply.

Resource allowcation :

In micro economic we have study that we have limited resource and we have to do optimum uttilization of resource.

Paratial Equilibrium :

In these we can study parational for all inducuial want for particular product.

MicroScopec Study :

In micro economic we study ~~induical~~ indaicunal demand and supply at small level.

Limited Scople :

Micro economy study limited becaue it dealited study as ~~comer~~ compere to macro economic.

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Q.4) (3) Base on assumption :
In micro economic many Law assume Same things for stastify the law for some condition it assumpe.

Slicing method :
In micro economic the whole economy is divided in small part slice it and then study whole economic indiucal part.

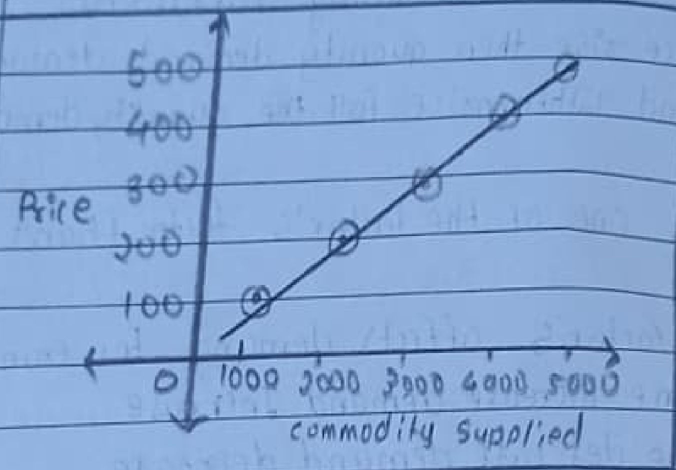
Q.5)
(1)
→ (i) disagree with the following statement.
(ii) When price rise then quanity demand demanded decrease and when price fall the quantity demand is increase.
(iii) Price is one of the factor's ~~facto~~ thant affects demand.
(iv) many factor's affects demand for example Income
When Income Increase demand Increase
When Income decrease demand decrease.
or
Population is Increase then demand also Incrase
Population is decrease then demand also decrease.
(v) Price and many factors are affect the demand of commodity. When prie change in quantity demand it called Varaition in demand.
Form above all the resones price is the not only factor the affects demand of a commodity.

(3) (i) agree with following statements.

(ii) When price is rise then the quantity supplied increase and when price of fall then quantity supplied decrease.

(iii)

Commodity Supplied	Price
1000	100
2000	200
3000	300
4000	400
5000	500



(iv) form the following grafe when price rise the equal to supplied quanlity also rise there for price and supply has positive and direct relation.

form the above digram and Explation there is direct relationship between price and quantity supplied.

(i)(i) agree with the following statement.
(ii) In micro economic and macro economic has so many different to each other.
(iii) Economic is social science which study's human behaviour and human behaviour is study in two part.
(1) Micro economic and (2) Macro economic.

(iv) In micro economic when study is happen it done only for particular perso or business or single firm. In Macro economic the study of ~~...~~ done by whole economic.

(v) In micro economic price thorey and in macro economic Income thory.

(vi) Scope of micro economic limited and macro econo mic scople is wider.

(vii) Slicing method in micro econcomic and Lumping method in macro economic

From above points there is a difference between micro and macro economic.

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Q.6] (1) (1) Introduction :

(i) Law is propowed by mr. gossens.
(ii) Gossen first Law aslo called D.M.U.
(iii) Given by alfred marshall
(iv) In the year 1890 in book of 'principle of economic'.
(v) Study of Rational consumer.

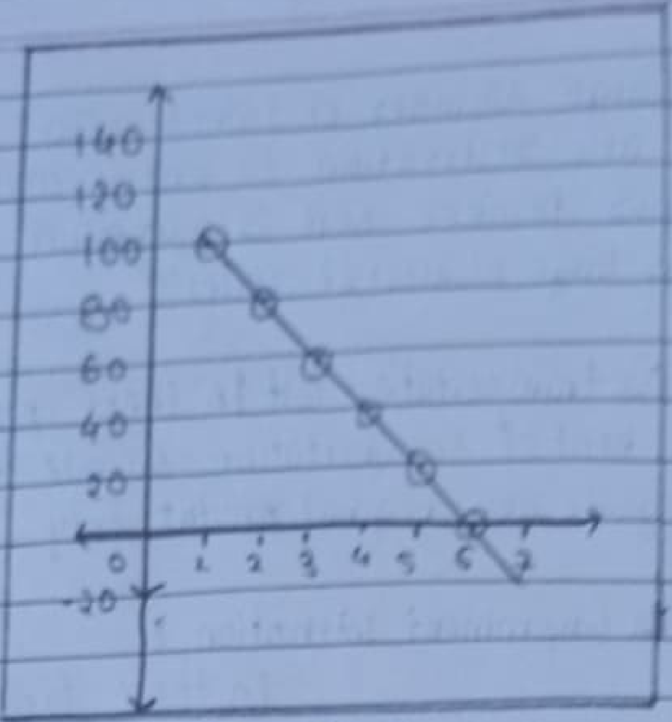
Meanning :
(i) As consumer consume commodity expected ~~sto~~ satisfication goes on diminisishing.
(ii) When consumtion is increase marginal utitly goes on diminishing.

Statement of Law :
According to Alfred marshall, "other things been costant" when consumer consume and Expected ~~str~~ benfit of consumer goes diminishing ~~whi~~ with increase in consumtion of one addtional commodity.

Digrame

Commodity	Marginal Utitily
1	100
2	80
3	60
4	40
5	20
6	0
7	-20

Q.6] (1)



Explaintion about grafe :

(i) When commodity consume the marginal utility is decrease.

(ii) When it goes on negative also at Commodity 7, in that time over consumption is happen that why marginal utility goes on negative.

(iii) In Commodity 6, there is marginal utility is 'zero' means 'satisfy', fully consumed.

(2) (i) Perfect competition is imaginary concept it's doesnot existed in real life but some economicstic made for peroper understand the condition of some form of market.

(ii) Large Number of buyer's in these market because all the buyers think it's resonable price at everyever for that Commodity.

Q.6)

(a) (iii) Large Number of Saler's also because here no any restrication to entry and all the seller's thinker here is maxmium profit that way large Number of seller's.

(iv) No transportation Cost In these perfect Competiotion No need of transportation because it's all Commodity or goods are reginal produt only.

(v) No Government Intervation :
In these types of market government cannot change policy or no any interv-ation on these form of market.

(vi) Price determination :
In the perfect competition market price determination is so hard to happen bec-ause in these business transportation cost and government policy are missing.
All the product are homozines in natures means same in size, colour, shape and then the pric of determination are to Impossible to do so that way in the perect compe-tition market price determination remain the constant.

Commodity Price	Demand	Supply	Commodity	Condition
100	5000	1000	A	DD > SS
200	4000	2000	B	DD > SS
300	3000	3000	C	DD = SS
400	2000	4000	D	DD < SS
500	1000	5000	E	DD < SS

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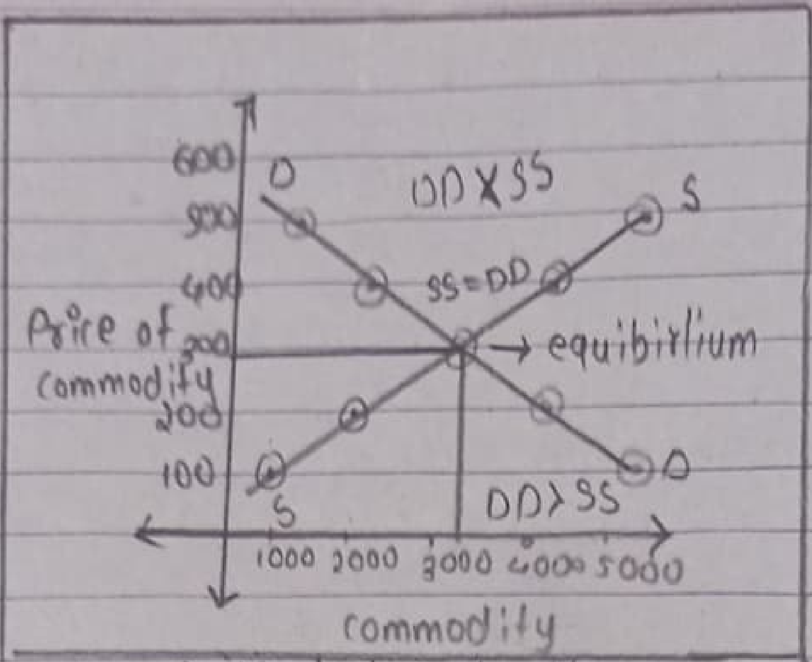

price determination

① When price 100 then Demand for commodity is maxmium 5000 and Supply for it lowest 1000.

② When price Increase then demand more than to Supply as compere to price 200.

③ When price goes on 300 then demand and Supply become 'equal' that point is also known as "equilibrium" point.

④ When price goes on 400 and 500 then demand goes Lowest point and Supply goes it highest point. Supply is more than Demand.