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(1)

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Q1] A)

(1) Micro Economics is a study of Individual economic unit).

(2) Indirect demand is also known as derived demand.

(3) Under monopoly there is existence of single seller.

(4) Produced means of production is known as capital

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

B)

1] Microeconomics : Slicing method :: Macroeconom-ics : lumping method.

2] Furniture from wood : From utility :: Study book : Lialerary

3] Capital : derived Demand :: Umbrella :

4] Perfectly elastic demand : Ed = ∞ :: Ed = 0 : Perfect inelastic demand.

5] Perfect competition : free entry and exit :: Barriers to entry : ~~mopoly~~ monopoly

C]

3]
→ 4) Both (A) & (R) are true and R is not the only ~~or~~ correct explanation of A.

4]
→ 4) Both (A) and (R) are true and R is not the only explanation of A.

2)
→ 4) Both (A) & R are true and R is not the explanation of A.

8)
→ 3) Both (A) & (R) are true and R is correct explanation of A.

Q 2) A]

1] Gauri collect information about income of particular firm.

→ Micro economics.

Micro economics studied as a individual units. such as individual firms; ~~etc~~ and price of particular commodity, etc.

2] Salma purchased sweater for her father in the winter seasons.

→ Time utility.

When utility is of a commodity increases with change in the time is called time utility.

Q6]
1]

→ Marginal utility refers to a additional unit derived by a consumer of a commodity consumed.

Units of comm. consumed	Marginal utility
1	8
2	6
3	4
4	2
5	0
6	-2

Law of Diminishing marginal utility

1. This law has been explained by Alfred Marshall.

2. According to Alfred Marshall other things remains constant.

3. In simple words marginal utility goes on diminishing increases in successive unit of a commodity consumed.

Unit of a comm.	Marginal unit.
1	8
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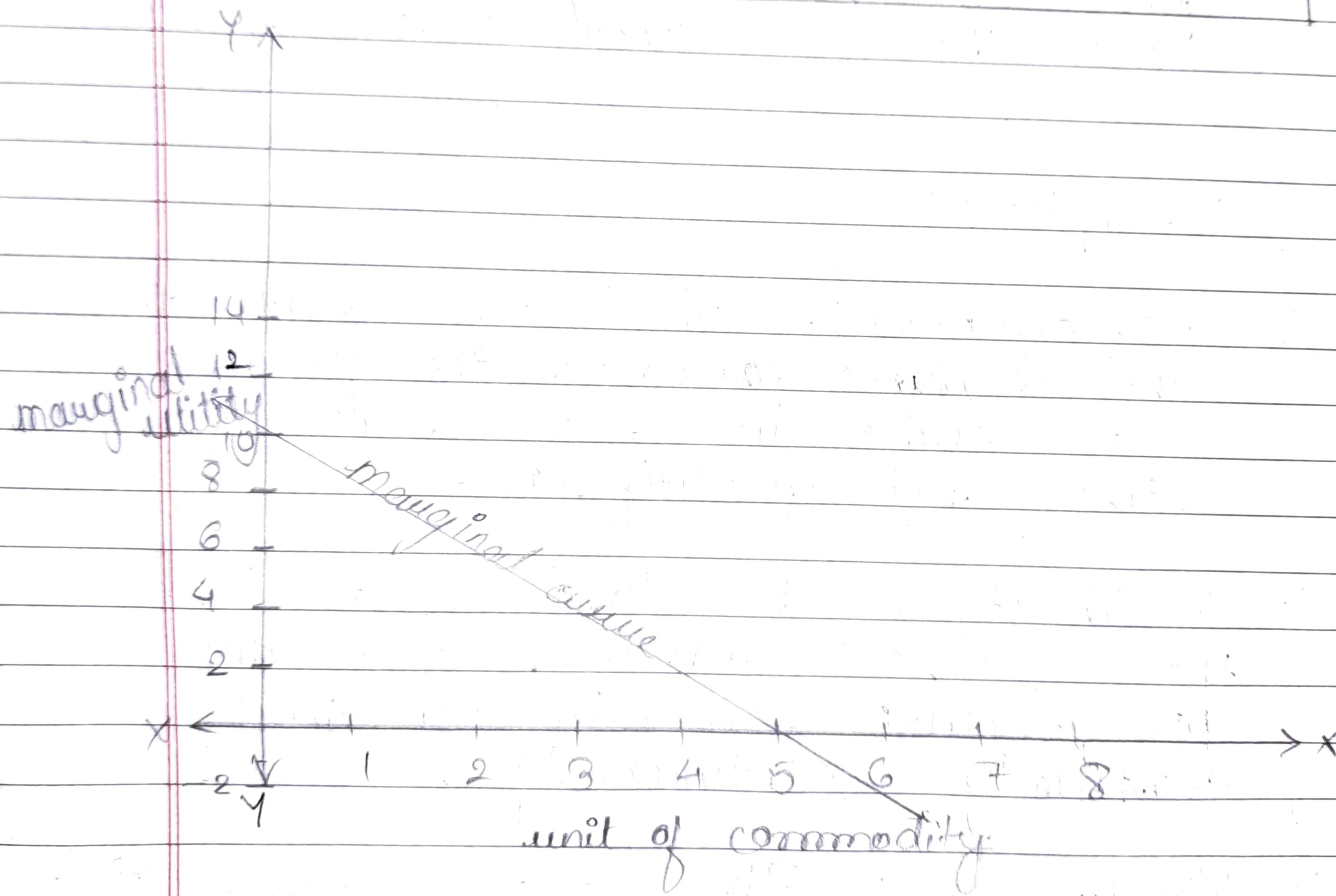

Explanation

1) In X-axis shows unit of a commodit and Y-axis shows on marginal utility.

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2) Marginal utility curve goes downward from left to right.

3) In the marginal utility consumer consumed and marginal utility is zero. Hence, it is called a point of satisfy.

4) And Marginal utility goes negative hence this is called as disutility.

Assumptions:

1. Homogeneity :- The law assumes that the consumer consumed the product are same in ~~goo~~ shape, colour, size and quality, etc.

2. Continuity : The law assumes that the ~~s~~ consumer should the ~~pu~~ product ~~no~~ will consumed ~~continuosly~~ continuously.

3. Single Use :- The law assumes that the commodity consumed there is only single use, not satisfying multiple wants.

Q 5]

1] Price is the only factor that affects demand of a commodity.

→ Disagree, I do not agree with ~~the~~ this statement.

3] There is direct relationship between price and quantity supplied.

→ Agree, I agree with this statement.

5] Commercial banks perform agency functions to earn profit

→ Agree, I agree with this statement.

4) Land and Capital

Land	Capital
① Land is the natural resources is the surface of the earth.	Capital means wealth and production of wealth.
② The land is perfect inelastic.	The capital is relatively elastic.
③ The value of land is Appreciate.	The value of capital is depreciate. like assets.

5)

Central Bank	Commercial Banks.
① Objective of this bank regulate and control of commercial bank.	Objective of this bank profit making.
② Issue of currency notes and coins.	Cannot issue currency notes and coin.

Q3]

B] Short notes.

1] Credit creation:-

→ The main sources of funds is available in commercial bank. in form of deposite.

There are three types of deposites account

1) Fixed deposite
2) Current deposite
3) Recurring deposite.

1) Fixed deposite :-

In fixed deposite funds is deposited for a particular fixed time.

2) Current deposite

In Current deposite account is used to big businessman, wholesales etc.

2] Income elasticity of demand:-

It is the degree of responsiveness change in quantity demand. other things remains constant

$$E_d = \frac{Qd\ \%}{I\ \%}$$

QD : Quantity demand
I : Income.

Q2] B]

② Supply of land is perfectly inelastic.

→ land is a natural resource. Because of its limited and the land price will be increases. hence, Supply of land is perfectly inelastic.

④ Rate of interest on fixed deposit is high.

→ Because income of bank is on interest Fixed deposite bank also pay high rate of interest on fixed deposit. Hence, Rate of interest on fixed deposit is high.