

Q. 1 A) Fill in the blank with appropriate words from those given in the brackets. (10)

- 1) The word micro means ----- (large, small, wide, whole)
- 2) Micro – economics is ----- in nature. (aggregative, comprehensive, supportive, selective)
- 3) Economics is a ----- science. (National, Social, Anthropology, Political)
- 4) Micro – economics explains how taxes affects ----- welfare. (economic, social, political, psychological)
- 5) ----- economics can study the problem of inflation in the country. (Micro, Macro, Static, Dynamic)
- 6) The utility derived from an additional unit is called ----- utility. (total, average, marginal, negative)
- 7) Negative utility is called ----- (disutility, marginal utility, satisfaction, average utility)
- 8) The relationship between marginal utility and price helps to explain ----- ---. (paradox of value, value in exchange, value in use, value in life)
- 9) High price for gold is due to its high ----- utility. (marginal, average, total, positive)
- 10) Marginal utility of money to a rich person is ----- . (less, more, negative, zero)
- 11) When a commodity is wanted for several uses, it has ----- demand. (composite, joint, competitive, complementary)
- 12) Complementary goods have ----- demand. (joint, composite, competitive, negative)
- 13) The sum of all individual demands constitutes ----- demand. (market, national, family, international)
- 14) ----- is the desire backed by the ability and willingness to pay for a commodity. (demand, want, need, comfort)
- 15) ----- goods are paradoxical to the law of demand. (normal, giffen, necessary, natural)
- 16) The elasticity of demand of pins is ----- . (elastic, inelastic, unist elastic, perfect elastic)
- 17) Income elasticity for Giffen goods is ----- . (positive, negative, zero, infinite)
- 18) Demand for durable goods like furniture is ----- (elastic, inelastic, more elastic, less elastic)

- 19) When for a change in price, quantity demanded changes more than proportionately, demand is ----- . (relatively elastic, relatively inelastic, less elastic, more elastic)
- 20) Demand for luxuries is ----- (elastic, more elastic, less elastic, inelastic)

Q. 2 A) Match the following. (04)**“A” Group**

- 1) Unit elasticity of demand
- 2) Perfectly inelastic demand
- 3) Cross elasticity
- 4) Salt

“B” Group

- 1) Related goods
- 2) Inelastic demand
- 3) Vertical straight - line
- 4) Rectangular hyperbola

Q. 2 B) Match the following. (06)**“A” Group**

- 1) Marginal utility curve
- 2) Disutility
- 3) Rare collection
- 4) Utility
- 5) Form utility
- 6) Time utility

“B” Group

- 1) Exception to the law of D.M.U.
- 2) Subjective concept
- 3) Table from wood
- 4) Slopes downward
- 5) Negative utility
- 6) Umbrella
- 7) Objective concept

Q. 3 A) Define / Explain the following concepts : (Any 10) (20)

- 1) micro – economics
- 2) Slicing method
- 3) Partial equilibrium
- 1) optimum allocation of resources.
- 2) Diminishing Marginal Utility
- 3) Point of satiety
- 4) Equi – marginal utility
- 5) Market demand
- 6) Giffen goods
- 7) Contraction of demand
- 8) Extension of demand
- 9) Elasticity of demand
- 10) Price elasticity of demand
- 11) Income elasticity of demand
- 12) Perfectly inelastic demand
- 13) Relatively inelastic demand