

**FIRST SEMESTER B.A./B.Sc. DEGREE EXAMINATION
NOVEMBER 2020**

(CBCSS)

Economics

ECO 1(2) C04—MATHEMATICAL TOOLS FOR ECONOMICS—I

Time : Two Hours and a Half

Maximum : 80 Marks

Section A (Short Answer Questions)*Answer at least ten questions.**Each question carries 3 marks.**All questions can be attended.**Overall Ceiling 30.*

1. Define Parameter.
2. Distinguish between linear function and non-linear function.
3. What do you mean by 'Transpose of a matrix' ?
4. Find the slope of the line $X - \sqrt{3}Y = 6$.
5. What is Consumption function ?
6. Find the equation of the line passing through (2, 6) and (5, 3). Find its slope and intercept.
7. Distinguish between Implicit and Explicit function.
8. What is market equilibrium ?
9. The demand for a commodity is $D = 40 - 8P$ form a demand schedule and draw demand curve.
10. If $f(x) = x^2 + x + 1$ find $(a + b)$.
11. Write a short note on Identity Matrix.

12. What is Transpose of a Matrix ?
13. What do you mean by Inverse function ?
14. The demand for a particular commodity is $X = 39 - 2P$. Find the equation to the total revenue curve.
15. Explain the meaning of the elasticity in Economics.

(10 × 3 = 30 marks)

Section B (Short Essay Questions)

Answer at least five questions.

Each question carries 6 marks.

All questions can be attended.

Overall Ceiling 30.

16. If $A = \{1, 2, 3\}$; $B = \{0, -1\}$ find all ordered pairs.
17. Solve using Cramer's rule :
$$X + Y + Z = 6$$
$$X + 2Y + 3Z = 14$$
$$-X + Y - Z = -2.$$
18. What do you mean by higher order hessian ?
19. Using Ven diagram solve the following. In a class 32 students, each of whom must take Mathematics or Statistics ; 20 take Mathematics, 9 take both Mathematics and Statistics, how many take Statistics.
20. Briefly explain the steps involved in inverse of a matrix.
21. Draw the graph of the function $Y = X^2$.
22. What are the important matrix methods used in Economic analysis ?
23. If $f(x) = x^2 + 4x - 11$ determine $f(x + 1)$.

(5 × 6 = 30 marks)

Section C (Long Essay Questions)

Answer any two questions.

Each question carries 10 marks.

24. Elaborate the important Mathematical applications in Economics.

25. Solve the following linear equation

$$5X + Y = 2$$

$$2X - 3Y = 23.$$

Using matrix approach.

26. Draw the graph of $Y = 2X + 1$ and $Y = 3X - 5$.

27. The demand for a commodity is $D = 35 - 7P$. The Supply function is $S = 2P - 5$. Find the equilibrium price.

(2 × 10 = 20 marks)

**FIRST SEMESTER B.A./B.Sc. DEGREE EXAMINATION
NOVEMBER 2020**

(CBCSS)

Economics

ECO 1(2) C03—BANKING—I

Time : Two Hours and a Half

Maximum : 80 Marks

Section A (Short Answer Questions)

Answer at least ten questions.

Each question carries 3 marks.

All questions can be attended.

Overall Ceiling 30.

1. What do you mean by credit creation ?
2. What are the services offered by the Commercial banks ?
3. Write a note on mixed banking.
4. What are the features of Indian money market ?
5. What is the role of RBI in call money market ?
6. Describe any *two* instruments used in the money market.
7. What is bank deposit ?
8. What is crossing of a cheque ?
9. What are features of treasury bills ?
10. Write a note on the importance of banks.
11. Distinguish between branch banking and unit banking.
12. What are the benefits of internet banking ?
13. What is KYC ?
14. What do you mean by Post-dated cheque ?
15. What are the secondary functions of Commercial bank ?

(10 × 3 = 30 marks)

Turn over

Section B (Short Essay Questions)

Answer at least five questions.

Each question carries 6 marks.

All questions can be attended.

Overall Ceiling 30.

16. What are the recent trends in banking services in India ?
17. Explain the importance of negotiable instruments.
18. Examine the importance of banks in growth and development of an economy.
19. What are the risks involved in the transactions using cheque ?
20. List the liabilities and assets of banks.
21. Write a note on the practice of Inter-Bank market.
22. What do you understand by collateral security ?
23. What are the features of Electronic banking ?

(5 × 6 = 30 marks)

Section C (Long Essay Questions)

Answer any two questions.

Each question carries 10 marks.

24. Write a note on merging of banks in India. What are the risks of bank merging happening in India ?
25. Describe the important negotiable instruments used in the Indian money market.
26. Indian banks are facing severe competition and challenges. Explain the recently initiated customer friendly services to ensure financial security and attract more customers.
27. What do you mean by nationalisation of banks ? Explain and critically assess the nationalization of banks in India.

(2 × 10 = 20 marks)

**FIRST SEMESTER B.A./B.Sc. DEGREE EXAMINATION
NOVEMBER 2020**

(CBCSS)

Economics

ECO 1 (2) C02—CO-OPERATION—I

Time : Two Hours and a Half

Maximum : 80 Marks

Section A (Short Answer Questions)

Answer at least ten questions.

Each question carries 3 marks.

All questions can be attended.

Overall Ceiling 30.

1. Mention on Vyas Committee (2001) ?
2. What is enclosure movement ?
3. Define a PACS ?
4. What is CONSUMERFED ?
5. Define Co-operative federation ?
6. Define a Co-operative bank.
7. What is demonetization ?
8. Mention the Co-operative Credit Societies Act 1904.
9. Refer the Maclagan Committee.
10. Define a District Co-operative Bank.
11. Explain the functions of State Co-operative banks.
12. Who is Raiffeisen ?
13. What is land Mortgage bank ?
14. What is Co-operative Commonwealth ?
15. What is NAFED ?

(10 × 3 = 30 marks)

Turn over

Section B

Answer at least five questions.

Each question carries 6 marks.

All questions can be attended.

Overall Ceiling 30.

16. Discuss the functions of International Co-operative Alliance.
17. What are the important recommendations of Vaidyanathan Committee?
18. Discuss the various problems faced by PACS in India.
19. Analyze the impact of RBI's control over Co-operative banks.
20. Analyze the role of Co-operatives in poverty alleviation.
21. What are the important problems faced by Land Development Banks in India ?
22. What are the different types of Co-operatives ?
23. Examine the role of NABARD in rural and agriculture development.

(5 × 6 = 30 marks)

Section C

Answer any two questions.

Each question carries 10 marks.

24. Trace the history of Co-operative movements in India.
25. What are the important problems faced by Co-operative Credit Societies In India ?
26. What are the important source of finance and refinance for Co-operatives in India ?
27. Make a comparative study of the co-operative movements of England and Denmark.

(2 × 10 = 20 marks)

FIRST SEMESTER B.A./B.Sc. DEGREE EXAMINATION, NOVEMBER 2020

(CBCSS)

Economics

ECO 1(2) C01—INTRODUCTORY ECONOMICS—I

Time : Two Hours and a Half

Maximum : 80 Marks

Section A (Short Answer Questions)*Answer at least ten questions.**Each question carries 3 marks.**All questions can be attended.**Overall Ceiling 30.*

1. What is Cross Demand ?
2. What is elasticity of demand ?
3. Explain Constant Returns to Scale.
4. Explain the relationship between Marginal Cost and Average Cost.
5. Why the demand curve slopes downwards ?
6. What are the determinants of demand ?
7. Distinguish Normal Goods and Inferior Goods.
8. Distinguish between substitution effect and income effect.
9. Explain the relevance of social science in contemporary society.
10. Explain the different degrees of price elasticity of demand.
11. What is incremental cost ?
12. What is Cardinal Utility Approach ?
13. Explain and make a graphical presentation of the law of diminishing marginal utility.
14. Distinguish between Fixed Costs and Variable Costs.
15. Explain the Say's Law of market.

(10 × 3 = 30 marks)

Turn over

Section B (Short Essay Questions)

Answer at least five questions.

Each question carries 6 marks.

All questions can be attended.

Overall Ceiling 30.

16. Distinguish GDP and GNP.
17. What are the advantages of state intervention in the economy ?
18. Write a note on Keynesian economics.
19. What are the important assumptions of Classical economics ?
20. Distinguish between Perfect Competition and Monopoly.
21. What do you mean by Wage - Price flexibility ?
22. Explain the difference between nominal GDP and Real GDP.
23. Write the importance of national income estimation.

(5 × 6 = 30 marks)

Section C (Long Essay Questions)

Answer any two questions.

Each question carries 10 marks.

24. Explain the marginal productivity theory of distribution.
25. What are the factors of production ? Explain each of its importance in the production process.
26. Explain the methods and problems in estimating national income.
27. Explain the short run and long run Production functions.

(2 × 10 = 20 marks)

**FIRST SEMESTER B.A./B.Sc. DEGREE EXAMINATION
NOVEMBER 2020****(CBCSS)****Economics****ECO 1B 01—MICROECONOMICS—I****(Multiple Choice Questions for SDE Candidates)****Time : 15 Minutes****Total No. of Questions : 20****Maximum : 20 Marks****INSTRUCTIONS TO THE CANDIDATE**

1. This Question Paper carries Multiple Choice Questions from 1 to 20.
2. The candidate should check that the question paper supplied to him/her contains all the 20 questions in serial order.
3. Each question is provided with choices (A), (B), (C) and (D) having one correct answer. Choose the correct answer and enter it in the main answer-book.
4. The MCQ question paper will be supplied after the completion of the descriptive examination.

ECO 1B 01—MICROECONOMICS—I

(Multiple Choice Questions for SDE Candidates)

- When individual income falls (everything remain the same) his demand for an inferior good ?
 - Rises.
 - Falls.
 - Remains the same.
 - We cannot say without additional information.
- Which of the following statement is FALSE with regard to marginal utility ?
 - Marginal utility is the utility derived from last unit.
 - As consumption increases Marginal utility goes on diminishing.
 - At saturation point marginal utility is Zero.
 - Marginal utility increases at a diminishing range.
- Which of the following statements is true :
 - Hicksian substitution effect is greater than Slutsky substitution effect.
 - Slutsky substitution effect is greater than Hicksian substitution effect.
 - Hicksian substitution effect is same and equal to Slutsky substitution effect.
 - Hicksian substitution effect is the reverse of Slutsky substitution effect.
- Strong ordering means :
 - Absence of indifference.
 - Presence of indifference.
 - No difference between different combinations.
 - None of the above.
- As per indifference curve analysis consumer equilibrium is attained when ?
 - Slope of indifference curve is constant..
 - Slopes of both indifference curve and income price line are equal.
 - Slopes of both indifference curve and income price line are opposite.
 - Both income price line and indifference curve are parallel.
- The income effect for a commodity is :
 - Is always positive.
 - Is always negative.
 - Depends upon price effect.
 - Determines the nature of the commodity.

7. For a giffen good, when price falls :
- (A) Demand increases at a faster rate.
 - (B) Demand decreases.
 - (C) Demand remains constant.
 - (D) Demand curve has a negative slope.
8. Indifference curves are :
- (A) Always parallel.
 - (B) May be parallel.
 - (C) May not be parallel.
 - (D) Both (B) and (C).
9. As per indifference curve analysis, consumer always try to reach :
- (A) Higher indifference.
 - (B) Lower indifference curve.
 - (C) Middle indifference curve.
 - (D) Lower income price line.
10. According to Marshall, The law of diminishing marginal utility :
- (A) Applies on money in the manner in which it applies on commodity.
 - (B) Do not applies on money except bank money.
 - (C) Does not applies on bank money but applies on cash.
 - (D) Applies on all commodities except money.
11. Indifference curve is always :
- (A) Concave to the origin.
 - (B) Convex to the origin.
 - (C) L shaped.
 - (D) A straight line.
12. When Total utility is increasing at an decreasing rate, marginal utility is :
- (A) Constant.
 - (B) Negative.
 - (C) Increasing.
 - (D) Decreasing.
13. When price of a product falls, more of it is purchased because of :
- (A) The substitution effect.
 - (B) The income effect.
 - (C) Neither substitution effect nor income effect.
 - (D) Both the substitution and income effects.

14. Ordinal utility analysis was developed by :
- (A) J.R. Hicks and R. J. D. Allen. (B) Samuelson.
(C) Marshall and Jevons. (D) Slutsky.
15. Marshalian cardinal utility analysis assumes :
- (A) Marginal utility of money is zero.
(B) Marginal utility of money is decreasing.
(C) Marginal utility of money is increasing.
(D) Marginal utility of money is constant.
16. The concept of utility was introduced by :
- (A) Marshall. (B) Hicks and allen.
(C) Jeremy Bentham. (D) Gossen.
17. The cost that cannot be recovered once spent :
- (A) Accounting cost. (B) Fixed cost.
(C) Implicit cost. (D) Sunk cost.
18. Under increasing returns to scale, which of the following is the nature of the long run average cost curve ?
- (A) Downward sloping.
(B) Upward rising.
(C) Parallel to output axis.
(D) Identical to short run average cost curve.
19. Envelope curve is :
- (A) Long run marginal cost curve. (B) Long run average cost curve.
(C) Total cost curve. (D) None of the above.
20. The responsiveness of quantity demanded of one commodity to the changes in the price of another commodity is called :
- (A) Price Elasticity. (B) Income Elasticity.
(C) Cross Elasticity. (D) Point Elasticity.

**FIRST SEMESTER B.A./B.Sc. DEGREE EXAMINATION
NOVEMBER 2020**

(CBCSS)

Economics

ECO 1B 01—MICROECONOMICS—I

Time : Two Hours and a Half

Maximum : 80 Marks

Section A (Short Answer Questions)

Answer at least ten questions.

Each question carries 3 marks.

All questions can be attended.

Overall Ceiling 30.

1. What is meant by value judgment ?
2. State 'constant returns to scale'.
3. Define 'hypothesis'.
4. Explain the law of elasticity of supply.
5. What is MRT_{xy} ?
6. Define Transformation curve.
7. What is meant by price line ?
8. Distinguish between cardinal utility and ordinal utility ?
9. Explain the concept of consumer surplus.
10. What is meant by returns to scale ?
11. What is the elasticity of demand for a Giffen good ?
12. What is *ceteris paribus* ?
13. Define equilibrium in economics.
14. State Engel's law.
15. Define budget line.

(10 × 3 = 30 marks)

Section B (Short Essay Questions)

Answer at least five questions.

Each question carries 6 marks.

All questions can be attended.

Overall Ceiling 30.

16. What are the properties of Cobb-Douglas production function ?
17. Elaborate the important steps involved in deductive method of theorizing.
18. Distinguish between microeconomics and macroeconomics.
19. What is meant by shift in demand ? Examine the factors to cause a shift in demand.
20. What are the important steps involved in demand forecasting ?
21. Prepare a note on the basic problems of an economy.
22. Diagrammatically explain the substitution effect-of Slutsky.
23. What is meant by expansion path ?

(5 × 6 = 30 marks)

Section C (Long Essay Questions)

Answer any two questions.

Each question carries 10 marks.

24. What does elasticity of demand measure in general ? What are the different measures of elasticity of demand ?
25. What are the important advantages of indifference curve analysis over the traditional approach ? State the properties of indifference curve.
26. Critically evaluate the various definitions of Economics.
27. Explain the producer's equilibrium using Isoquant.

(2 × 10 = 20 marks)

**FIRST SEMESTER (CUCBCSS—UG) DEGREE EXAMINATION
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3. Each question is provided with choices (A), (B), (C) and (D) having one correct answer. Choose the correct answer and enter it in the main answer-book.
4. The MCQ question paper will be supplied after the completion of the descriptive examination.

ECO 1B 01—MICROECONOMICS—I

(Multiple Choice Questions for SDE Candidates)

- Cardinal utility analysis to consumer equilibrium was developed by :
 - Marshall.
 - Hicks and Allen.
 - Jeremy Bentham.
 - Gossen.
- Ordinal utility analysis Was developed by :
 - J.R. Hicks & R.J.D. Allen.
 - Samualson.
 - Marshall and Jevons.
 - Slutsky.
- Marginal utility is :
 - Always zero.
 - Increases at a diminishing rate.
 - The utility derived from last unit.
 - All the above.
- When Total utility is increasing at an decreasing rate, marginal utility is ?
 - Constant.
 - Negative.
 - Increasing.
 - Decreasing.
- At saturation point MU of a commodity is :
 - Positive.
 - Negative.
 - Zero.
 - Increasing.
- Marshallian cardinal utility analysis assumes :
 - Marginal utility of money is zero.
 - Marginal utility of money is decreasing.
 - Marginal utility of money is increasing.
 - Marginal utility of money is constant.
- When individuals income falls (everything remain the same) his demand for a normal good ?
 - Rises.
 - Falls.
 - Remains the same.
 - Negative.

8. Other things being equal a decrease in demand can be caused by :
- (A) A fall in price of the commodity. (B) A fall in income of the consumer.
(C) A rise in price of the substitute. (D) None of these.
9. "Utility or satisfaction is a subjective concept; therefore it could only be ranked". The statement supports :
- (A) Cardinal utility theorist. (B) Ordinal utility theorist.
(C) Behavioral theorist of the firm. (D) None of the above.
10. The basic doctrine of consumers surplus is based on :
- (A) Indifference curve analysis. (B) Revealed preference theory.
(C) Law of substitution. (D) Law of diminishing marginal utility.
11. An indifference curve represent :
- (A) Four commodities. (B) Less than two commodities.
(C) Only two commodities. (D) Only one commodity.
12. Engel curve for giffen good is :
- (A) Positively sloped. (B) Negatively sloped.
(C) Horizontal straight line. (D) Vertical straight line.
13. For a giffen good, when price falls :
- (A) Demand increases at a faster rate. (B) Demand decreases.
(C) Demand remains constant. (D) Demand curve has a negative slope.
14. Indifference curves are :
- (A) Always parallel. (B) May be parallel.
(C) May not be parallel. (D) Both (B) and (C).
15. Hicks Allen indifference theory is based on :
- (A) Weak ordering. (B) Strong ordering.
(C) Constant ordering. (D) Multiple ordering.

16. In case of a convex indifference curve :
- (A) MRS xy is constant. (B) MRS xy is increasing.
(C) MRS xy is negligible. (D) MRS xy is diminishing.
17. As per indifference curve analysis, consumer always try to reach :
- (A) Higher indifference. (B) Lower indifference curve.
(C) Middle indifference curve. (D) Lower income price line.
18. The slope of a budget line is :
- (A) The satisfaction level of both the commodities.
(B) The income level of the consumer.
(C) The price ratio of both the commodities under consideration.
(D) Price level of a country.
19. The slope of a budget line throughout its length is :
- (A) The satisfaction level of both the commodities.
(B) The income level of the consumer.
(C) The price ratio of both the commodities under consideration.
(D) Price level of a country.
20. Which of the following statements is true ?
- (A) Hicksian substitution effect is greater than Slutsky substitution effect.
(B) Slutsky substitution effect is greater than Hicksian substitution effect.
(C) Hicksian substitution effect is same and equal to Slutsky substitution effect.
(D) Hicksian substitution effect is the reverse of Slutsky substitution effect.

**FIRST SEMESTER (CUCBCSS—UG) DEGREE EXAMINATION
NOVEMBER 2020**

Economics

ECO 1B 01—MICROECONOMICS—I

Time : Three Hours

Maximum : 80 Marks

Answers may be written either in English or in Malayalam.

Part A

Answer all twelve questions.

Each question carries ½ mark.

1. If an increase in the demand for meat leads to an increase in the demand for onion, then meat and onion are :
 - a) Substitute goods.
 - b) Inferior goods.
 - c) Normal goods.
 - d) Complimentary goods.
2. All the following curves are 'U' shaped; except :
 - a) AFC.
 - b) AVC.
 - c) AC.
 - d) MC.
3. Economics is the study of :
 - a) How society manages its unlimited resources.
 - b) How to reduce our wants until we are satisfied.
 - c) How society manages its scarce resources.
 - d) How to fully satisfy our unlimited wants.
4. If the price of a good is above the equilibrium price, then :
 - a) There is excess supply and price will fall.
 - b) There is excess supply and price will rise.
 - c) There excess demand and price will rise.
 - d) The quantity demanded is equal to the quantity supplied and the price remains constant.

Turn over

5. Which of the following is an example of opportunity cost ?
- The money you spent on a movie.
 - The money you spent on food.
 - The money you could have made if you had stayed at home and worked instead of going out for a movie
 - The money you spent on bus ticket and ticket for watching a movie.
6. An inferior good is one for which an increase in income causes a(n) :
- Decrease in supply.
 - Decrease in demand.
 - Increase in demand.
 - Increase in supply.
7. The scarcity definition of economics is given by :
- Adam Smith.
 - Alfred Marshall.
 - Lionel Robbins.
 - William Petty.
8. Indifference curve means :
- Equal consumption of two goods.
 - Equal utility from the consumption of two combinations of goods.
 - Equal consumer income.
 - Equal prices of the goods consumed.
9. Total utility is maximum when:
- Marginal utility is Zero.
 - Marginal utility is maximum.
 - The average utility is maximum.
 - Average utility is Zero.
10. The law of supply states that an increase in the price of a good :
- Increases the supply of that good.
 - Decrease the demand for that good.
 - A rightward shift in demand curve.
 - None of these.
11. The expansion path of production theory is analogous in consumption theory to the :
- Price consumption line.
 - Income consumption line.
 - Engel curve.
 - Budget constraint line.

12. Isoquants are equal to :

- a) Product Lines.
- b) Total utility lines.
- c) Cost lines.
- d) Revenue lines.

(12 × ½ = 6 marks)

Part B (Very Short Answer Type Questions)

*Answer any ten questions.
Each question carries 2 marks.*

- 13. What is meant by production function ?
- 14. What is MRTS ?
- 15. Distinguish between cardinal utility and ordinal utility.
- 16. Define ridgeline.
- 17. Define the Engel curve.
- 18. Distinguish between a normal good and inferior good.
- 19. What is meant by consumer surplus ?
- 20. What are the important properties of the Cobb-Douglas production function ?
- 21. Distinguish between positive economics and normative economics.
- 22. What is meant by a shift in demand ?
- 23. What is meant by cross elasticity of demand ?
- 24. Define a budget line.

(10 × 2 = 20 marks)

Part C (Short Essay Questions)

*Answer any six questions.
Each question carries 5 marks.*

- 25. What are the important properties of an indifference curve ?
- 26. Discuss the nature and scope of microeconomics.
- 27. Explain the market equilibrium with market demand and supply curve.
- 28. Discuss the various factors determining elasticity of demand.

29. Distinguish between the deductive and inductive method of theorizing.
30. What are the important measures of elasticity of demand ?
31. Critically examine the law of equi-marginal utility.
32. Explain the law of demand and determinants of demand.

(6 × 5 = 30 marks)

Part D (Essay Questions)

Answer any two questions.

Each question carries 12 marks.

33. Analyze the equilibrium of a consumer with the help of indifference curve technique.
34. Critically examine the law of variable proportions.
35. Examine the Slutsky method of decomposition of the price effect.
36. Explain the derivation of demand curve from price consumption curve.

(2 × 12 = 24 marks)