

# SINGAPORE ELO

MARKS: 80

Time: 3 hours

**NOTE:**

1. All questions are compulsory
2. Draw tables/diagrams wherever necessary.
3. Figures to the right indicate full marks.
4. Write answers to all main questions on new pages.

**Q.1. (A) Fill in the blanks using proper alternatives given in the brackets:** [5]

1. Demand for a commodity which is used for satisfying several wants at a time is, \_\_\_\_\_ demand.  
(joint / competitive / composite / derived)
2. Total Cost = \_\_\_\_\_ + Total Variable Cost.  
(Average cost / Marginal cost / Total Fixed cost / Semi-variable cost)
3. \_\_\_\_\_ elasticity of demand is found in case of non-related goods.  
(Price / Cross/ Promotional / Income)
4. \_\_\_\_\_ is the starting point of capital formation.  
(Savings / Investment / Production / Distribution)
5. Variable Cash reserve ratio as a method of credit control was popularized by \_\_\_\_\_.  
(Paul Samuelson / R.P. Kent / Prof. W.A. Shaw / Lord J.M. Keynes)

**Q.1. (B) Match the following:** [5]

1. Dr. Alfred Marshall	a) Optional money
2. Voluntary monopoly	b) Profit-seeking organization
3. Bills of exchange	c) Father of Economics
4. Commercial banks	d) Financial discipline
5. Public economics	e) OPEC
	f) Architect of Micro Economics

**Q.1. (C) State whether the following statements are TRUE or FALSE:** [6]

1. Utility of a commodity is same for all individuals.
2. Market demand varies directly with the changes in the price.
3. When students play football, it is considered as labour.
4. In advanced countries like U.S.A and U.K., income method is used to estimate national income.
5. Business cycles are a part and parcel of the theory of income.
6. Disinvestment reduces the assets of the Government.

**Q.2. (A) Define/ Explain the following concepts: (Any 3)** [6]

1. Overall Economic Efficiency
2. Knowledge Utility
3. Unitary Elastic Demand
4. Gross Domestic Product
5. Fiat money
6. Motive of Precaution

**Q.2. (B) Give reasons or explain the following statements: (Any 3)**

[6]

1. The law of supply does not apply to agricultural goods.
2. A market becomes pure when monopoly is kept away.
3. All wealth is not capital.
4. The study of general price level is significant.
5. Reverse repo rate is used by the Central Bank to absorb liquidity from the economy.
6. Autonomous consumption expenditure is income inelastic.

**Q.3. (A) Distinguish between: (Any 3)**

[6]

1. Increase in Supply and Decrease in Supply
2. Partial equilibrium and General equilibrium
3. Limited legal tender money and Unlimited legal tender money
4. Surplus budget and Deficit budget
5. Direct demand and Derived demand
6. Plan expenditure and Non-plan expenditure

**Q.3. (B) Write short notes on: (Any 2)**

[6]

- |   |                        |
|---|------------------------|
| 1. Peculiarities of Land                | 3. Types of Investment |
| 2. Historical review of Macro Economics | 4. Equilibrium Price   |

**Q.4. Answer the following questions: (Any 3)**

[12]

1. Explain the features of monopoly.
2. What are the features of Micro Economics
3. Explain the different sources of non-tax revenue of the Government.
4. Explain the characteristics of utility.
5. What are the determinants of Aggregate Supply?
6. Explain the contingent functions of money.

**Q.5. State with reasons whether you agree or disagree with the following statements: (Any 3) [12]**

1. An entrepreneur performs only organizational functions.
2. Monopolistic competition is very realistic in nature.
3. Credit creation is an important function of commercial banks.
4. Central bank performs certain developmental and promotional functions.
5. The law of diminishing marginal utility can be explained with a schedule and diagram.
6. Circular flow of national income in a simple hypothetical economy consists of a single sector.

**Q.6. Write explanatory answers: (Any 2)**

[16]

1. Explain the exceptions to the law of demand.
2. Explain any two methods of measuring price elasticity of demand.
3. Explain the practical difficulties in the estimation of National Income.
4. Explain Keynes Psychological Law of Consumption