VPM's

**K.G.Joshi College of Arts and N.G.Bedekar College of Commerce, Thane**

**Preliminary Test**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Marks: 50** | **Date-**  | **Class:** | **Div.** | **Roll No.**  |
| **Student’s Name** |  | **Marks obtained- /50** |
| **Student’s Sign.** |  | **Supervisor sign-** | **Examiner sign.-**  |

**Q.1 Fill in the blanks.**

1. Economics is a \_\_\_\_\_\_\_\_\_ science. (natural, social )
2. Micro economics is a \_\_\_\_\_\_\_\_\_ equilibrium analysis.(general, partial)
3. Micro economics adopts \_\_\_\_\_\_\_\_\_ approach. (individualistic, aggregative)
4. The credit for the development of Micro economics approach goes to\_\_\_\_\_\_\_\_\_ (Marshall, Keynes)
5. A study of \_\_\_\_\_\_\_\_\_ is micro economics. (firm, whole economy)
6. Micro economics studies \_\_\_\_\_\_\_\_\_ .(small factor, large factor)
7. \_\_\_\_\_\_ \_\_\_\_refers to want satisfying power of a commodity. (Usefulness, Utility)
8. Marginal Utility diminishes as consumption of commodity \_\_\_\_\_\_\_\_\_\_\_(increases, decreases)
9. \_\_\_\_\_\_ utility is utility derived from last unit of commodity consumed. (Average, Marginal)
10. When MU is \_\_\_\_\_\_\_\_\_\_, TU decreases. (negative, positive)
11. Blood donation has \_\_\_\_\_\_\_\_\_\_, utility. ( time, place)
12. A rational consumer wants \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_satisfaction. (adequate, maximum)
13. Marshall assumes \_\_\_\_\_\_\_\_\_\_measurement of utility'.(cardinal, statistical)
14. When price of commodity rises, the demand for it \_\_\_\_\_\_\_\_\_. (rises, falls)
15. Indirect demand is also known as\_\_\_\_\_\_\_\_\_\_ demand. (derived, direct)
16. The law of demand states\_\_\_\_\_\_\_\_\_\_ relation between demand and price. (a direct, an indirect)
17. When price rises, the demand \_\_\_\_\_\_\_\_\_\_\_\_\_\_. (contracts, expands)
18. The sum of individual demand constitutes \_\_\_\_\_\_\_\_\_\_\_\_\_ demand.(market, individual)
19. The demand for consumer goods is \_\_\_\_\_\_\_\_\_\_\_\_. (direct, indirect)
20. The demand for salt is \_\_\_\_\_\_\_\_\_\_\_. (elastic, Inelastic)

**Q.2 State whether the given statements are True or False.**

|  |  |
| --- | --- |
| 1. Dr. Marshall is known as the “Father of Modern Economics”.
 |  |
| 1. Micro economics studies theory of Firms.
 |  |
| 1. Micro economics deals with allocation of resources.
 |  |
| 1. Micro economics theory assumes full employment.
 |  |
| 1. Micro economics theory suggests policies to solve problem of inflation.
 |  |
| 1. Factor pricing is a subject matter of Macro economics.
 |  |
| 1. The problems of nations are studies in the Micro economy.
 |  |
| 1. National Income is studied under Macro economics.
 |  |
| 1. Scarcity of resources arises only in poor countries.
 |  |
| 1. Price theory is the base of Micro economic analysis.
 |  |
| 1. Micro economics is the study of aggregates.
 |  |
| 1. When Marginal Utility is zero, Total Utility diminishes.
 |  |
| 1. Utility is the basis of demand.
 |  |
| 1. Demand curve slopes upwards from left to right.
 |  |
| 1. Demand is elastic for luxuries.
 |  |
| 1. Perfectly inelastic demand curve is parallel to the X axis.
 |  |
| 1. Total outlay is price multiplied by quantity.
 |  |
| 1. Unitary elastic demand rarely occurs in practice.
 |  |
| 1. Concept of elasticity of demand is useful for Finance Minister.
 |  |
| 1. Demand for food grains is elastic.
 |  |

**Q.3 Match the following:**

|  |  |  |
| --- | --- | --- |
| **I** | **Answer** | **II** |
| 1. Micro Economics
 |  | 1. Individualistic
 |
| 1. Laissez Faire Policy
 |  | 1. Aggregate of utilities
 |
| 1. Marginal Utility
 |  | 1. No government intervention
 |
| 1. Utility
 |  | 1. Alfred Marshall
 |
| 1. Total Utility
 |  | 1. Complementary
 |
| 1. Law of demand
 |  | 1. Inelastic demand
 |
| 1. Demand and Price
 |  | 1. Substitute goods
 |
| 1. Car and Petrol
 |  | 1. Inverse relation
 |
| 1. Cross Elasticity
 |  | 1. Want satisfying power
 |
| 1. Food Grains
 |  | 1. Utility of last unit
 |