

**IMBA in APR/BM Semester-2 Examination**  
**MDC-MME-124**

Time : 2-00 Hours]

MME  
 April-2024

[Max. Marks : 50]

**Instructions :**(1) This paper contains **Five** questions.  
 (2) All questions are compulsory.  
 (3) Question No.**1, 2, 3, 4** have internal options.  
 (4) Figures in the right side in parenthesis indicate marks.

**Q:1** Explain the meaning and features of a socialist economy. (10)

**OR**

**Q:1** Explain the scarcity oriented and growth oriented definition of economics in (10) detail.

**Q:2** Explain the law of diminishing marginal utility by giving a suitable example. (10)

**OR**

**Q:2** Explain the law of demand with the help of a schedule and diagram. (10)

**Q:3 (A)** Calculate national income from the following data: (05)

Items	( ₹ in crore )
Private final consumption expenditure	600
Profit	100
Government final consumption expenditure	700
Gross domestic capital formation	250
Net factor income from abroad	50
Consumption of fixed capital	700
Net imports	300

**(B)** Calculate national income from the following data: (05)

Items	( ₹ in crore )
Net factor income to abroad	10
Net current transfers to abroad	50
Royalty	40
Compensation of employees	700
Corporate tax	300
Undistributed profit	10

Interest	90
Rent	100
Dividends	20
Net indirect tax	110

**OR**

**Q:3** Explain the circular flow of income in a four sector economy with a suitable diagram. (10)

**Q:4** Explain Keynes' consumption function in detail with the help of a consumption schedule. (10)

**OR**

**Q:4** Define macroeconomics. Explain the advantages and disadvantages of macroeconomics in detail. (10)

**Q:5** **Select the correct for the following: (Any ten out of twelve)** (10)

- 1) Air is an example of which type of good?
 

A. Free	B. Economic
C. Valuable	D. All of the above
- 2) Private property is the most important feature of:
 

A. Capitalist economy	B. Socialist economy
C. Mixed economy	D. None of the above
- 3) Income earned from abroad is not counted while calculating:
 

A. GDP	B. Disposable income
C. GNP	D. All of the above
- 4) Which of the following economy exists in India?
 

A. Capitalist	B. Socialist
C. Mixed	D. None of the above
- 5) The study of particular firm, particular household and individual price, wage, income, industry and particular commodity is called:
 

A. Microeconomics	B. macroeconomics
C. Unit economics	D. None of the above
- 6) Economic problems arise due to:
 

A. Poverty	B. Unemployment
C. Scarcity of resources	D. None of the above
- 7) According to the law of demand the relation between demand and price is:
 

A. Direct	B. Indirect
C. Uncertain	D. None of the above
- 8) Which of the following is not included in macroeconomics?
 

A. Theory of rent	B. Investment function
C. Consumption function	D. Theory of general price level
- 9) Macro means:
 

A. Small	B. Medium
C. Large	D. None of the above
- 10) Which of the following is not a part of compensation of employees?
 

A. Wages	B. Salary
C. Both A and B	D. None of the above
- 11) Which of following is included in Operating surplus?
 

A. Rent	B. Interest
C. Profit	D. All of the above
- 12) GDP stands for:
 

A. Gross domestic product	B. Gross deductible product
C. Gross deficiency product	D. All of the above