

**PARUL UNIVERSITY**  
**FACULTY OF ARTS**  
**B.A Winter 2017 – 18 Examination**

Semester: 1

Subject Code: 15101102

Subject Name: Elements of Economic Theory - II

Date: 21/12/2017

Time: 10:30am to 1:00pm

Total Marks: 60

**Instructions:**

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Make suitable assumptions wherever necessary.
4. Start new question on new page.

**Q.1 A Choose the appropriate answer from the following.****(08)**

1. Individuals who are willing to take risks, to bring the resources together and develop new products, and start new businesses.
  - a) Entrepreneur
  - b) Service
  - c) Human resources
  - d) Resources
2. \_\_\_\_\_ are factors of production.
  - a) Land
  - b) Labour
  - c) Capital
  - d) All of the above
3. \_\_\_\_\_ are the reward paid to the worker for his labour.
  - a) wages
  - b) Rent
  - c) Interest
  - d) None of these
4. \_\_\_\_\_ is that part of the total payment which is made for the use of land only.
  - a) Scarcity rent
  - b) Economic rent
  - c) Quasi rent
  - d) None of these
5. \_\_\_\_\_ is the reward for making part in the liquidity of someone.
  - a) Rent
  - b) Interest
  - c) profit
  - d) None of these
6. Net National Product = \_\_\_\_\_ - Depreciation
  - a) GNP
  - b) GDP
  - c) PI
  - d) None of these
7. \_\_\_\_\_ is the total market value of all final goods and services produced in year.
  - a) GDP
  - b) GNP
  - c) National income
  - d) Personal income
8. Disposable income = Personal income - \_\_\_\_\_.
  - a) Personal Taxed
  - b) Personal expenditure
  - c) Personal saving
  - d) All of the above
9. Goods are exchange in terms of goods is \_\_\_\_\_.
  - a) Money system
  - b) Bothe A and C
  - c) Barter system
  - d) None of these
10. \_\_\_\_\_ is creating Credit in economy.
  - a) Central Bank
  - b) Commercial Bank
  - c) Both A and B
  - d) None of these
11. Trade among the nations is \_\_\_\_\_.
  - a) Domestic trade
  - b) Inter-regional trade
  - c) International trade
  - d) All of these
12. When foreign payment is greater than foreign receipt Balance of Payment is in \_\_\_\_\_.
  - a) Disequilibrium
  - b) Surplus
  - c) Deficit
  - d) Equilibrium
13. \_\_\_\_\_ is a free gift of nature.
  - a) Land
  - b) Labour
  - c) capital
  - d) Building

