

CVM UNIVERSITY

M.Sc. (Real Estate Valuation/ Plant and Machinery Valuation)

Semester-I Examination-2021

Monday, 22nd February – 2021

2:00 PM to 04:00 PM

SUBJECT TITLE: Principles of Economics

PAPER CODE: 101370101/ 101380101

Total Marks: 60

Note: (1) Attempt all questions.

(2) Figures to the right indicate marks.

- Q. 1 (a) Answer the following multiple choice questions. (08)**
- (1) Which one is not a property of isoquant?
A. Downward sloping B. Convex C. Negative slope D. Positive slope
 - (2) In case of perfectly inelastic demand, demand curve will be:
A. Vertical straight line parallel to Y-axis
B. Horizontal straight line parallel to X-axis
C. Positively sloped
D. Negatively sloped
 - (3) In a perfectly competitive market, individual firm:
A. Cannot influence the price of its product
B. Can influence the price of its product
C. Can fix the price of its product d.
D. Can influence the market force
 - (4) According to Keynes, interest is a payment for:
A. Use of durable goods
B. Use of capital
C. Use of money
D. Use of land
 - (5) Which one is not is function of money is:
A. Medium of Exchange
B. Measure of Value
C. Store of Value
D. Medium of profit
 - (6) Inflation is the situation in which.....
A. The value of money decreases
B. The value of money increases
C. Purchasing power increase
D. Exchange rate currency increase
 - (7) Domestic Factor Income is another name for:
A. NDP FC
B. NNP MP
C. GDP FC
D. NNP FC
 - (8) The existence of a Parallel Economy or Black Money:
A. Makes the economy more competitive
B. Makes the monetary policies less effective
C. Ensures a better distribution of income and wealth
D. Ensures increasing productive investment

- (b) **Answer the following (Fill in the blanks and True or False)** (08)
- (1) Supply curve has _____.
(negative slope / positive slope / horizontal line)
 - (2) Inflation will create _____ in the price of the commodities.
(decreases/increases /no effect)
 - (3) The money value of all final goods and services produced within a country during a particular year is called: _____
(Gross domestic product/ Net domestic product / National product)
 - (4) If savings exceed investment then National income will _____.
(rises/ falls)/ not affected)
 - (5) Higher Indifference curve indicates lower level of satisfaction : **True/False**
 - (6) Deflation is the period of bullish market : **True/False**
 - (7) Net Factor Income from Abroad is taken into account when National Income is calculated by only by Value Added Method: **True/False**
 - (8) Black money does not affect real estate prices: **True/False**

Q.2 Attempt any six of the following. (12)

- (1) What is Consumer Surplus?
- (2) Define price Elasticity of Demand.
- (3) What is Quasi Rent?
- (4) What is Monopolistic Market Structure?
- (5) Write equation of Fishers' Quantitative Theory of Money.
- (6) Write any two causes of inflation.
- (7) What is Occupational Structure?
- (8) What is Induced and Autonomous Investment?

Q.3 Explain the concept of Indifference Curve. Explain the properties of Indifference Curve (08)

OR

Q.3 Explain law of Demand with the help of Demand Schedule and Demand Curve. (08)

Q.4 Explain the Modern Theory of Interest. (08)

OR

Q.4 Explain Marginal Productivity Theory of wage determination. (08)

Q.5 Define Inflation. Discuss cause and measures to control inflation. (08)

OR

Q.5 Define National income. Discuss the three methods of measuring National income. (08)

Q.6 Explain the concept of Parallel Economy. Discuss causes, effect and remedial measures for Parallel Economy (08)

OR

Q.6 Write notes on: (08)

- a) Determinants of saving
- b) Relationship between saving and investment
