

(2)

- (iii) The distribution of goods among the members of the society
 - (iv) The maintenance of economic stability
- (b) In which two categories of goods, cross elasticity of demand is most relevant?
- (i) Substitute goods and Giffen goods
 - (ii) Complementary goods and Substitute goods
 - (iii) Complementary goods and inferior goods
 - (iv) None of the above
- (c) Substitution effect is measured by holding which of the following factors as constant?
- (i) Utility
 - (ii) Price of one good
 - (iii) Price of all goods
 - (iv) Income

(3)

- (d) What does the area under the marginal cost curve show?
- (i) TFC
 - (ii) TVC
 - (iii) AFC
 - (iv) AVC
- (e) What are the two factors on which a consumer's choice between leisure and consumption depends?
- (f) The positively sloped (rising) part of the long run average cost curve is due to which of the following?
- (i) Increasing returns
 - (ii) The increase in productivity that results from specialisation
 - (iii) Diseconomies of scale
 - (iv) Advantage of large-scale production technique