

STUDENTS' RESPONSE SHEET

ACADEMIC SESSION 1965-66

ECONOMICS—Paper I

LESSON No. 6

(SECOND YEAR)

115 JUL 1966 84
Marks %

Roli Number CC 8291

How many clock hours did you spend in studying and preparing this lesson? TEN

When completed, send this Response Sheet to :—
Directorate of Correspondence Courses,
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Delhi-7. (India).

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SALIM AHMED SAIDI
To THE EXAMINER
42 Golf Link New Delhi

Fold back here with top facing out

Tutor

Goods and Services—Factors of Production

Written Assignment

Write short answers as far as possible within the space provided.

1. Who are producers in the economic sense? 10

All type of workers who either directly or indirectly engaged in the productive process are producers. Producers include those who produce material goods and those who provide immaterial services needed by the consumers.

Remarks

10

2. Fill up the blanks : 9

(i) Goods include material commodities and immaterial services which are needed by the consumers.

(ii) Producers are persons engaged in the production of 'goods' for... exchange.

(iii) Goods are of two types... producers' goods and consumers' goods.

9

(ii)

3. Which of the following are producers ?

Put P for producers and X for non-producers.

14

- (i) A bullock cart-driver..... P ✓
(ii) A prince who plays chess throughout the day..... X ✓
(iii) General manager of Northern Railway..... P ✓
(iv) A soldier in the Indian Army..... P ✓
(v) A housewife..... X ✓
(vi) Mukesh, the famous cinema play-back singer..... P ✓
(vii) A farmer..... P ✓

Remarks

14

4. Distinguish between producer's goods and consumption goods.

10

Producer goods are commodities which are not yet ready to be consumed by the consumers. These are goods which are needed for producing other goods. While consumer goods are those which satisfy the consumers directly. As Hicks put it: "Consumer goods is the end of the whole process; producer's goods are stages on the road towards it."

10

5. Below is given a list of commodities. Classify them under the producer's goods and consumption goods by putting P for producer's goods and C for consumption goods.

20

- (1) plough..... P ✓
(2) factory building..... P ✓
(3) cement..... P ✓
(4) wheat-breads..... C ✓
(5) sweets..... C ✓
(6) bricks..... P ✓
(7) a chair in your house..... C ✓
(8) ready-made clothes..... C ✓
(9) aluminium..... P ✓
(10) toothpaste..... C ✓

20

6. Explain the difference between land and capital.

8

Remarks

Speaking in broad terms, one may say that land consists of all those durable-use goods which are a free gift of nature whereas capital consists of those made by man. And whereas capital can be increased by human effort should the need arise the supply of land cannot be readily increased except in case of irrigation and even the increase is limited

5

7. Explain the meaning of capital in economic sense as distinguished from the business sense.

10

In the economic sense capital refers to all producer's goods produced by human beings. And capital viewed in this context is associated with community's point of view whereas when we talk of capital in the business or financial sense we are talking from the individual's point of view. Thus capital refers to actual physical goods in the economic sense

4

8. (i) Is it possible for a farmer to increase production without any increase in the area of his agricultural land?

2

Yes... ✓

No.....

2

(ii) Give reasons for your answer.

8

In the productive process it is possible to substitute the factors of production to a certain degree. In this case the farmer can increase his production by making more use of capital goods such as fertilizers and more intensive cultivation of the land. The usage of better agricultural instruments and better types of seeds is relevant in this connection.

4

9. (i) Can a producer substitute machines for human labour completely?

2

Yes.....

No... ✓

2

(ii) Give reasons for your answer.

Labour is one of the vital factors of production. It is in fact in relative terms more important than land and capital. Whereas the producer can embark on radical mechanisation and thereby reduce the labour factor, it is inconceivable for him to do away with labour completely for after all it is the human effort which controls, maintains and operates such machines.

Remarks

Replies of Oral Exercises :

- 1. (e) 2. (d) 3. (c) 4. (c)
- 5. (d) 6. (c) 7. (c) 8. (c)
- 9. (b)

STUDENTS' RESPONSE SHEET

ACADEMIC SESSION—1965-66
ECONOMICS—Paper I

Lesson No. 5
(FIRST YEAR)

56
195 JUL 1968
Marks.....%

Roll Number Cc 8291
How many clock hours did you spend in studying and preparing this lesson? EIGHT

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SALIM AHMED SALIM
TO HIGH COMMISSIONER
TANZANIA, 42 GOLF LINK

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Tutor Mu

The Productive Process

Written Assignment

Remarks

Write short answer as far as possible within the space provided.

1. (a) Do people produce everything they want? 3

Yes..... No

(b) Give reasons for your answer. People desire uncountable commodities but production of the same entails a long process which is basically a combined effort. Thus a person can only help in the production of one good. Only primitive economies do people produce all their needs but such communities are becoming rarer.

3
4

2. How specialisation has benefitted mankind? 10

Specialisation has paved way to the invention and utilisation of machinery in production. And mechanisation has increased greatly the worker's output. Subsequently huge quantities of goods are produced at low price and at reasonably low cost. The standard of living of a society, modern economic society, has been very much raised as a result of specialisation and its allied mechanisation.

6

3. Suggest measures to reduce the following evils of specialisation :

Remarks

(a) monotony in job. can be done used by shifting a worker from one process or sub process in a factory to another and by providing better lay-out and working conditions

3

(b) overcrowding in cities. By developing new factories in the outskirts of the cities

2

(c) unsanitary and unhealthy surroundings. By improving proper sanitation like efficient drainage and sewage system and by providing proper housing facilities

3

4. (a) Is it correct to say that the productive process is essentially a big combined effort ?

Yes........ No.......... 3

(b) Support your answer by relevant examples : 7

Since the productive process is only complete when the goods produced reach the consumer and are consumed, the process entails a big combined effort

3

Take example of Sugar. American people are engaged in cultivating land till the time when sugarcane is harvested. When it is transported to the sugar mills and after they are processed into sugar, dispatched to the stores, then the retail till ultimately to consumer. Production of the car, though entails different mechanism, yet the principle of combined effort is the same

4

5. Why should the producers adjust their output to the demands of the people ? 10

If producers do not adjust their output to meet the demand of a given commodity then two things may happen. Either over-production or less-production. In both ways the producers will lose. If the commodities produced are more than the demand and result they will have to be sold at a low price with the consequent reduction in production. On the other hand, shortage of production will cause greater demand and hence a higher price. This in turn will lead to more production or attracting other producers to enter into production.

5

6. Give the essential features of the modern economy.

10 Remarks

The modern economy is based on the principle of a wide cooperative effort in the productive process and involves a lot of specialisation both simple and complex and particularly the latter feature. Goods produced reach the consumer through the exchange process and money is the medium of exchange

5

7. (a) State the major difficulties of barter. 7

It is a very difficult for a producer to get a person having an exact good of his liking in order to effect the exchange. And even if he finds one then how much to exchange for how becomes a problem. This involves a lot of difficult and confusion

4

(b) Explain how does money remove them. 7

With money a person can buy any commodity he likes. Likewise the producer can easily sell his goods. Thus money serves as the best means of exchange and with producer and consumer (who are sure and they same person in the last analysis) is satisfied. No confusion and no unfairness

4

8. (a) Why most of the commodities are not produced where they are consumed ?

Production of commodities depend on several factors: climatic conditions, cheap local labour, cheap cost and it is true that commodities produced in a certain locality are consumed throughout the country as the demand for such goods is nationwide and in most places where there is the demand it is just impossible to produce the goods on demand locally

4

(b) Below is given the list of commodities. Write the names of states in which they are produced and the reasons for the same : 10

Remarks

Commodity	State(s)	Reason(s)
1. Tea	Assam, Nilgiris (Madras)	Favourable climate
2. Jute	West Bengal, U. P.	Favourable climate
3. Woolen Carpets	Kashmir	Wool from sheep
4. Steel	Bihar, Orissa	Availability of iron and coal
5. Cotton textiles	Bombay and Ahmedabad	Favourable climate

Replies of Oral Exercises :

1. (d) 2. (d) 3. (c)
4. (c) 5. (a) 6. (c)
7. (b) 8. (a) 9. (b)
10. (c) 11. (c)

Mention as to which kind of climate is favourable.

STUDENTS' RESPONSE SHEET

ACADEMIC SESSION—1965-66

ECONOMICS—Paper I

(FIRST YEAR)

Marks... 65%

17 DEC 1965

Date: 7th December 1965

Roll Number... CC 8291

How many clock hours did you spend in studying and preparing this lesson? 1.2 HOURS

When completed, send this Response Sheet to :—
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SALIR AHMED SALIR
 42 GOLF LINKS
 NEW DELHI - 3
 INDIA

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Tutor... Professor N. K. Pant *AK Bhowmik*

The Functioning of a 'Mixed' Capitalistic System

Written Assignment

1. Explain the following terms briefly :	Remarks
(i) Private property... <i>Ownership by an individual of tools of production and economic goods.</i>	4 2
<i>The govt does not interfere in the individual's control and usage of the goods he has acquired</i>	
(ii) Specialisation by persons... <i>Each person is permitted to utilise to maximum benefit any peculiar skill he possesses eg. Carpenter, car specialist or bricklayer.</i>	4 2
(iii) Free enterprise... <i>It is a right of a person to enter any occupation he likes and guarantee an opportunity to make what ever things and services he chooses to produce and c. a ct. vity. free from state control.</i>	4 3
(iv) Barter... <i>The direct exchange of one kind of commodity for another. This system prevailed in simple and primitive economies. Because of the complexities, the system of barter can hardly operate nowadays.</i>	4 3

(ii)

(v) Double co-incidence of wants..... *this is the paramount inconvenience of barter which calls for guarantee that wants of two parties with respect to the exact quantities and terms of exchange to coincide* 4

Remarks

3

2. Arrange the following terms in proper sequence. (Put number in the blank space). 5

(1) Hunting stage; (3) Feudalism; (5) Socialist economy; (2) Pastoral stage; (4) Capitalist economy.

5

3. Match the following terms : 5

- (a) Feudalism, (b) Barter, (c) Roundabout production, (d) Self-interest and (e) Competition ;

With these statements ; (Put relevant number in the blank space).

(c) Production with the use of capital. (d) Higher regard for one's own welfare than for that of others. (a) A stage in the evolution of the modern economic system. (e) A characteristic of a capitalistic economy meaning every man competes with each other. (b) Exchange of one good for the other.

5

4. (i) The capitalist economy brings about equality of incomes.

True..... False..... 2

Give reasons..... *There is imperfection in competition as a group of harmful monopolists determine and influence prices of economic goods.* 4

As a result there is a big gap between capitalists and workers.

(ii) The price mechanism brings about the co-ordination of all economic activities.

True..... False..... 2

(iii)

Give reasons..... *The price mechanism working through supply and demand in competitive markets operate to answer the three fundamental problems of economic organization: what, how and for whom to produce.* 4

Remarks

(iii) Direct methods of production maximise production and economic welfare.

True..... False..... 2

Give reasons..... *Direct methods of production are troublesome and consumes a lot of time and yields very low productivity. On the other hand, roundabout production leads in greater productivity and the process is in the long run less costly.* 3

(iv) The government plays a significant role in modern capitalistic economies and affects the volume and nature of production and distribution.

True..... False..... 2

Give reasons..... *By undertaking such measures as taxation, social legislations and fixing of minimum wages, the government is exercising direct and overall control of economic activities.* 3

(v) Money is the source of all evil and therefore should have no place in a modern economy.

True..... False..... 2

Give reasons..... *The use of money is indispensable in the modern economy. Money simplifies economic life without which life would be extremely complicated.* 3

(vi) The modern capitalistic economy may be known as "mixed" capitalistic system.

True..... False..... 2

Give reasons..... *State modifies private initiative but monopolists condition the operation of the perfect competition.* 3

5. (a) Arrange the following functions of money in order of importance. (Put number in the blank space). 4

- (2) Measure of value. (1) Medium of payments. (4) Standard of deferred payments. (3) Store of value.

4

(b) Explain the following functions of money briefly :

Remarks

(i) Measure of value..... It is utilised as a value 4

of a given commodity. This function of money enables society to compare and evaluate diverse items 2

(ii) Medium of payments..... This is the most important 4

function of money for it facilitates the buying and selling of goods i.e. it serves as medium of exchange 2

(ii) Standard of deferred payments..... This enables 4

the expression of contracts concerning the future transactions like debt payments etc 2

(iv) Store of value..... Keeping of money for some periods 4

of time so that its value can be later utilised. A method of holding one's personal wealth the ultimate want of such money depends on possibilities 2

6. Discuss briefly the economic role of government in a modern capitalistic economy. 14

The government is playing quite an important role in modern capitalistic economy. Government provides indispensable services without which life would be unworkable such as maintenance of police for law and order, keeping armed forces for national defence etc. The very nature of these services rule out the possibility of their being left up to private enterprise. Government promulgates decrees such as prohibition of employing child labour, prohibition of employment of women in certain jobs fixing minimum wages etc. All these have direct economic consequences. Government imposes tariffs and utilises income obtained through taxation to provide such social services as hospitals, schools etc. Thus government expenditure, taxation and its devices supplement the price system in determining the economic fate of a nation. 10

Replies of Oral Exercises :

- 1..... (c) ✓
- 2..... (a) ✓
- 3..... (d) ✓
- 4..... (c) ✓
- 5..... (a) ✓
- 6..... (a) ✓
- 7..... (a) ✓
- 8..... (b) ✓

STUDENTS' RESPONSE SHEET

9 DEC 1965

ACADEMIC SESSION—1965-66

ECONOMICS—Paper I

LESSON No. 3

(FIRST YEAR)

Marks.....76.....%

Date: 4th Dec 1965

Roll Number CC 8291.....

How many clock hours did you spend in studying and preparing this lesson?.....10 hours

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SAHIL ANAND SAHIL
42 GOLF LINKS,
NEW DELHI-3

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Tutor.....V. P. J.....

Remarks

The Basic Problems of an Economy

Written Assignment

1. Describe the following terms briefly: 20

(i) The transformation curve..... It is a line shown in the production possibility between two goods and how the factors which can be used for production of one commodity can be reorganized to produce the other commodity.

(ii) Marginal output..... the additional total output in production when there is an increase of the factors of production of a given good.

(iii) Positive checks..... Natural measures like epidemics, famines, wars etc.

(iv) Geometrical ratio..... Growth in geometric progression as: 6: 12: 24: 36: 72: 144. Shows that population increases in geometric ratio.

(ii)

(v) Law of diminishing returns..... *When one factor is utilised more and more while the other factors are constant, the marginal output (addition to total output) goes on becoming less and less.*

2. Mark out whether the following statements are true or false.

(i) An economic problem can arise only in an underdeveloped economy : 16

True..... False..... *✓*

Reasons for answer..... *Even in advanced & developed countries, there are scarce resources which cannot completely satisfy the unlimited wants of people.*

(ii) All human endeavour is subject to the operation of the law of diminishing returns :

True..... *✓* False..... *✓*

Reasons..... *A simple example to illustrate this is a man's tendency to diminish returns is universal and man's important part of an economy is subject to this law.*

(iii) The Malthusian theory applies to all countries in the world :

True..... *✓* False..... *✓*

Reasons..... *Today, in many countries, technology has shifted production possibility curves outwards, increasing standard of living, while medical advancement has increased life expectancy and removed positive checks.*

(iv) The production-possibility curve will generally be a straight line :

True..... False..... *✓*

Reasons..... *Production possibility curve is usually drawn bowed out to reflect the tendency of increasing costs in production.*

3. Prepare a hypothetical table of production-possibility between wheat and rice. 10

4. Draw a diagram depicting the above information. 10

5. Classify the following into scarce goods and free goods by putting tick mark. 18

Pens : Scarce..... *✓* Free.....

Books : Scarce..... *✓* Free.....

(iii)

Currency notes : Scarce..... *✓* Free.....

Air : Scarce..... Free..... *✓*

Rain Water : Scarce..... Free..... *✓*

Cloth : Scarce..... *✓* Free.....

Sunshine : Scarce..... Free..... *✓*

Drinking water : Scarce..... Free..... *✓*

Road : Scarce..... Free..... *✓*

6. Match the following :- 10

- (i) Extractive industry ;
- (ii) Marginal unit of labour ;
- (iii) Economics is a science of ;
- (iv) Preventive checks ;
- (v) Symptoms of over-population ;

With the items given below :-

- (ii) Economics is a Science of... (a) Administration of scarce means. *✓*
- (v) Symptoms of over-population... (b) Poverty, misery, epidemics, diseases, etc. *✓*
- (i) Extractive industry... (c) role of nature is predominant in production. *✓*
- (ii) Marginal unit of labour... (d) extra or additional unit. *✓*
- (iv) Preventive checks... (e) measures adopted by man to control growth of population. *✓*

7. (i) It is possible that a country may require to increase its population? 2

Yes..... *✓* No.....

(ii) give reasons for your answer..... 8

The growth of an economy may some time suffer from a society with a shortage of labour or rather manpower. Under such circumstances it is imperative to increase the population. At present, in West Germany because of shortage of labour, labour manpower is imported from some European countries.

Remarks

15

10

15

45

8. (i) The law of diminishing returns applies only to agriculture : 6

Remarks

Yes..... No

Reasons for your answer.....

This law applies to every field of the economy provided that measures are not taken to effect its operation

(ii) The law of deminishing returns states that with the use of additional units of labour and capital total output declines :

True..... False

Reasons.....

It is only when there is an increase in one factor while the other factors remain constant that the ~~total~~ additional to total output declines. If there is additional units of labour and capital, ^{total} output will increase.

Replies of Oral Exercises :

- | | | | |
|--------|-------|--------|-------|
| 1..... | (c) — | 2..... | (a) — |
| 3..... | (b) d | 4..... | (b) — |
| 5..... | (c) — | 6..... | (b) — |
| 7..... | (a) — | | |

STUDENTS' RESPONSE SHEET

ACADEMIC SESSION—1965-66

ECONOMICS—Paper I

LESSON No. 2

FIRST YEAR

81
2 = DEC 1965

Marks.....%

Date: 29th November 1965

Roll Number CC 8291

How many clock hours did you spend in studying and preparing this lesson? 12 Hours

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SALIM AHMED SALIM
42 GOLF LINKS,
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INDIA.

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Tutor..... MR. N. K. PRASAD

WHAT IS AN ECONOMY

Remarks

Write short answers as far as possible within the space provided.

1. Classify the study of the following subjects under micro-economic analysis and macro-economic analysis. (give your answer in the blank space). 30

(i) The study of the banking system

Macro..... ✓ Micro..... ✓

Reasons for answer..... It involves the study

of the whole economy involved in the Banking system and from it a conclusion can be arrived. ✓
Now all banks operate all over the world.

(ii) Analysis of the levels of wages and profits in India

Macro..... ✓ Micro..... ✓

Reasons..... It deals with the study of wages &

profits of a particular country. Economists cannot from this study generalise the behaviour of profits & wages all over the world.

(iii) History and the present position of the State Bank of India

Macro..... ✓ Micro..... ✓

Reasons..... It involves the study of a

particular institution in the whole economy.

It is the study of the aggregate wages & profits in India.

(ii)

(iv) A study of the salaries of the university teachers

Macro..... Micro.....

Reasons..... This is the study of a specific item of the economy and does not therefore deal with the study of the economic system as a whole.

20

(v) Study of national income of a country

Macro..... Micro.....

Reasons..... It involves the study of national income on a general basis.

It involves the study of economy as a whole since in order to determine national income of a country, the study of the entire economy is essential.

(vi) Study of financial problems of a cotton textile factory

Macro..... Micro.....

Reasons..... This is an analysis of a particular item in a specific factory. It is a micro analysis and hence does not study the operation of the economic system as a whole.

12

2. The following are the basic characteristics of different of economies. Mention in the blank space the type of economy 12

(i) All means of production are owned and managed privately and the predominant motive of all human activities is profit.

Capitalist Economy

(ii) It uses little of capital and has a low per capita national income.

Underdeveloped Economy

(iii) Most of the resources of production are owned by the State and production is organised on the basis of maximum welfare for the community.

Socialist Economy

(iv) There is very little of trade and exchange between people and each family tries to produce everything to satisfy all its needs.

Simple Economy

3. Under the impact of five year plans in India 18

(i) Has there been an increase in industrial production ?

Yes..... No.....

Remarks

(iii)

(ii) Has there been a decline in agricultural output ?

Yes..... No.....

(iii) Has there been an increase in investment ?

Yes..... No.....

(iv) Has there been a decline in national income ?

Yes..... No.....

(v) Is the standard of living rising ?

Yes..... No.....

(vi) Has employment increased ?

Yes..... No.....

18

4. Mark out whether the following statements are true or false. 30

(i) Japan is a primitive economy

True..... False.....

Reasons..... Japan has a high income per capita and a high standard of living for her people.

Her economy is fully developed with products which are carried on with the help of highly advanced technology. All these are characteristics of an advanced and not a primitive economy.

(ii) India is an underdeveloped country

True..... False.....

Reasons..... India has a low income per capita.

with automatically poor standard of living. Primitive methods are still used in agriculture and industry and production is carried on with small amount of capital. All these are characteristics of an underdeveloped (or developing) country.

(iii) Russia is a capitalist economy

True..... False.....

Reasons..... In the Soviet Union all the principal means of production are publicly owned (state owned).

whereas in a capitalist economy, the means of production are privately owned. The ownership of the means of production in Russia is therefore socialist and not capitalist economy.

(iv) France is a controlled economy

True..... False.....

Reasons..... In France the economic activities are not controlled by the govt. Here, the means of production are privately owned and managed. There is no interference by the state unless in case of emergency.

The characteristics of the French Economy are that of a free and not a controlled economy.

Remarks

(v) U. K. is a developed economy

Remarks

True False

Reasons.....

The U.K. ranks among the countries with a very high income per capita and consequently very high standard of living. Modern techniques of machinery are utilized to the maximum in production and the production efficiency of Britain is of a very high order.

25

(vi) U. S. A. is a free economy

True False

Reasons.....

In U.S.A. the means of production are privately owned and managed. Competition between the economic agents invigorate the economy. Such an economy is called a free economy. It is also referred to as a free economy.

5. Describe, in brief the vital processes of an economy 10

All economies, whether Socialist or Capitalist; whether developed or developing; whether simple or complex has its essential processes. These

processes are basically production, consumption and growth. Since an

economy is parameably, a system by which people earn a living, the process of production and

consumption are inseparable. Production includes any activity, and the provision of any service, which satisfies or is expected to satisfy a want.

By consumption we mean - the need of services and the utilization of material goods to satisfy a want. But an economy must grow and it does so when it expands through the use of more raw materials in the country.

6

Replies of Oral Exercises :

- 1. (d) 2. (a) 3. (d)
- 4. (a) 5. (c) 6. (b)
- 7. (d) 8. (e)

Received on 9/11/65

I-E

STUDENTS' RESPONSE SHEET

ACADEMIC SESSION 1965-66

ECONOMICS—Paper I

15 NOV 1965

LESSON No. 1

Marks 67%

(First Year)

Pain

Roll Number. CC 8291

How many clock hours did you spend in studying and preparing this lesson? NINE

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% TANZANIA HIGH COMMISSION
42 GOLF LINKS - NEW DELHI-3
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Tutor. MR. N. K. PANT

you are not supposed to fill up this

Remarks

INTRODUCTION TO ECONOMICS

1. Mention the factors which give rise to economic problem. 10

The economic problem arises due to the fact that man has unlimited desires but with very scarce resources to fulfil these desires and consequently he is put in a position where he has to choose between different ends or desires.

6

2. There is no economic problem for a person living alone in a forest away from the society. (Tick mark the right answer). 10

True..... False ✓.....

Give reasons for your answer. living aloof from the society

does not imply that a person has an automatic passport to satisfy all his unlimited wants. Whether in the forest or society, man is still faced with his many desires and as long as his means to satisfy these desires are scarce, he will have to choose between ends, and as long as a person finds himself in such a situation, he is faced with an economic problem.

6

3. Is Economics a science? (Tick mark the right answer).
 Yes... No...

Give reasons for your answer. Science is a body of systematized knowledge about a particular subject. Hence Economics is a systematised knowledge of the administration of scarce resources, having alternative uses for satisfying human wants.

4. (a) What is a natural science?
 It is that branch of science dealing with the physical world which practically have a characteristic of permanency and continuity (unchanging in character). Examples are: Biology, Chemistry and Physics.

(b) Explain the meaning of social science.
 It is a group of sciences which deal with human behaviour. It is sometimes referred to as Human Sciences. Examples of social sciences are: Political Science, Economics, Sociology and Ethics.

5. (a) Economics is a natural science. (Tick mark the right answer).
 True... False...

(b) Anthropology is a social science.
 True... False...

(c) Zoology is a natural science.
 True... False...

(d) Geology is a social science.
 True... False...

(e) History is a natural science.
 True... False...

6. Natural sciences are more exact and useful than social sciences.
 Yes... No...

Give reasons for your answer. Natural sciences are concerned with the physical forces, it is possible to attain precision and accuracy through controlled experimentation. This is impossible in the case of social sciences where we deal with social and human behaviour with all its concomitant complexities. One has only to look at the tremendous achievements of such natural science as physics and chemistry in our contemporary world to conclude that this branch of science is more useful than social sciences.

(iii)

7. A number of definitions of economics are given below. Mark out whether you consider them adequate or inadequate.

(i) Economics is the science of wealth, it deals with the production and distribution of wealth. 5

Adequate... Inadequate...

Reasons: Although admittedly the production and distribution of wealth constitute an important element in the science of economics, it is not adequate to say that Economics is the science of wealth. One significant factor is missing in the definition and that is the human aspect for there can be no wealth without man.

(ii) Economics is the study of an aspect of human activity which deals with men's organisation of productive resources, such as, labour, capital and land to produce and distribute goods and services needed for meeting requirements of a proper human living. 5

Adequate... Inadequate...

Reasons: All important factors of the science of economics are included in the definition. These are the human aspect, production, distribution and wants.

8. (a) What do you understand by economic analysis? 5

That field of economics which deals with the knowledge, understanding and analysing of different economic problems through accumulation of systematic arrangement of events & statistical data. It can be described as the practical aspect of Economic Science.

(b) What do you understand by economic policy? 5

It is the practical implementation of the knowledge of economic theory. That is to say making use of theoretical knowledge in formulating policies resulting in better economic conditions.

9. Should everyone in the modern times have some knowledge of economics? 5

Yes... No...

Reasons: *The consciousness of the citizenry in the society would be elevated. They will have a better interest, appreciation and judgment of their Government's economic policies and would play a more important role in their own welfare. On the other hand the Govt will be more cautious in its responsibility to his economic policies.*

6

10. (a) Economics is a science that helps one acquire wealth. 4
 True..... False.....

Reasons: *Where as it is true to say that the study of economics enables one to understand matters relating to wealth, it is erroneous and nonsensical to assert that the Science of economics is the passport to acquire wealth.*

2 1/2

(b) Economics is nothing but common-sense. 4
 True..... False.....

2 1/2

Reasons: *Even though economics is ever with us in our daily life and we may understand many economic events by commonsense, it is a misconception to state that Economics (with all its complex problems) is nothing but commonsense. Economics require serious and careful study.*

(c) What is true of an individual is also true of the entire economy? 4
 True..... False.....

Reasons: *Generalization of principles in the Science of economics may prove catastrophic in the economy. For, in most cases in economics, what may be useful to the individual might prove harmful to the society as a whole.*

2 1/2

11. Fill in the blanks : 8

1. Economics is *neutral* between ends.

7

2. Economics is the science of the administration of *scarce* means, having *alternative* uses for the satisfaction of human desires.

3. Economics is actively engaged in studying the causes of *poverty* with a view to suggesting effective methods of removing it.

Replies of Oral Exercises :

- 1. *(iv)*
- 2. *(i)*
- 3. *(iv)*
- 4. *(iii)*
- 5. *(iii)*
- 6. *(iv)*
- 7. *(i)*
- 8. *(iv)*
- 9. *(iv)*