

Roll No



**PRESIDENCY UNIVERSITY  
BENGALURU**

**SCHOOL OF COMMERCE  
MID TERM EXAMINATION - APR 2023**

**Semester :** Semester II - 2022 - 23 - BSE - 2022

**Course Code :** BSE1003

**Course Name :** Sem II - BSE1003 - Advanced Mathematics for Economics

**Program :** B.Sc. Economics

**Date :** 15-APR-2023

**Time :** 2:00PM - 3:30PM

**Max Marks :** 50

**Weightage :** 25%

**Instructions:**

- (i) Read all questions carefully and answer accordingly.
- (ii) Question paper consists of 3 parts.
- (iii) Scientific and non-programmable calculator are permitted.
- (iv) Do not write any information on the question paper other than Roll Number.

**PART A**

**ANSWER ALL THE FIVE QUESTIONS**

**5X2=10M**

1. Complete the equation,  $MPS + MPC = ?$   
a) 1 (CO1,CO2,CO3,CO4) [Knowledge]  
b) 2  
c) 3  
d) 4
2. If  $MPS = 0.5$ , then the value of multiplier is  
a) 1 (CO2,CO3,CO4,CO1) [Knowledge]  
b) 2  
c) 3  
d) 4
3. If indifference curve is right angle shape, then it is representing  
a) Substitute Good (CO4,CO3,CO2,CO1) [Knowledge]  
b) Complementary Goods  
c) Inferior Goods  
d) Luxury Goods
4. The value of MPC lies between  
a) 0 to 1 (CO1,CO2,CO3,CO4) [Knowledge]  
b) 1 to -1  
c) 0 to infinite  
d) None of the above

5. What is the slope of indifference curve?

- a) Marginal rate of transformation
- b) Marginal rate of substitution
- c) Price ratio
- d) None of the above

(CO1,CO2,CO3,CO4) [Knowledge]

**PART B**

**ANSWER ALL THE TWO QUESTIONS**

**2X10=20M**

6. Derive the government spending and government revenue multiplier using national income accounting identity.

(CO1,CO2,CO3,CO4) [Comprehension]

7. Complete the following table:

Quantity (Q)	Price (P)	Total Revenue	Average Revenue	Marginal Revenue	Price Elasticity
0	10				
1	9				
2	8				
3	7				
4	6				
5	5				

(CO4,CO3,CO2,CO1) [Comprehension]

**PART C**

**ANSWER THE ONE QUESTION**

**1X20=20M**

8. Distinguish between Walrasian and Marshallian System using labelled diagrams.

(CO1,CO2,CO3,CO4) [Application]