

**Model Question Paper**  
**Marginal Productivity Theory of Distribution - Part I**

12th Standard

**Economics**

Reg.No. : 

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- I. Answer all the questions.
- II. Use blue pen only.
- III. Question number 16 is compulsory

Time : 01:30:00 Hrs

Total Marks : 90

5 x 1 = 5

**Part-A**

- 1) Rent is the price paid for the use of  
(a) Capital (b) Organisation (c) Labour (d) Land
- 2) Profits are the reward for  
(a) land (b) capital (c) labour (d) organisation
- 3) The demand for labour is  
(a) effective demand (b) direct demand (c) derived demand (d) elastic demand.
- 4) The author of the concept of quasi – rent is  
(a) Adam Smith (b) Marshall (c) Ricardo (d) Samuelson
- 5) The author of liquidity preference theory is  
(a) J.M. Keynes (b) Marshall (c) Samuelson (d) Knight

**Part-B**

- 6) What are the assumptions of marginal productivity theory of distribution ?
- 7) What is “Transfer earnings”?
- 8) Distinguish between real wages and money wages.
- 9) What is standard of living theory of wages?
- 10) What are the three motives of liquidity preference ?

5 x 3 = 15

**Part-C**

- 11) Discuss Marshall's theory of Quasi-rent.
- 12) Write a note on the subsistence theory of wages.
- 13) Discuss the Abstinence or Waiting theory of interest.
- 14) Briefly describe the dynamic theory of profits.
- 15) Explain Schumpeter's theory of profits.

5 x 10 = 50

**Part-D**

- 16) a) Discuss marginal productivity theory of distribution.
- b) Examine Ricardian theory of rent.

2 x 10 = 20

(OR)

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