

Time : 3 Hours

ECONOMICS

Subject Code

H	4	6	5	2
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Total No. of Questions : 36 (Printed Pages : 10) Maximum Marks : 80

- INSTRUCTIONS :**
- (i) All questions in both sections are compulsory.
 - (ii) Marks for each question are indicated against each to the right.
 - (iii) Question Nos. 1-8 and 19-26 are objective type questions (Multiple choice questions) carrying 1 mark each. Select the correct answer from the alternatives given below the statement.
 - (iv) Question Nos. 9-12 and 27-30 are short answer type carrying 2 marks each. Answer should be around 40 words each.
 - (v) Question Nos. 13-15 and 31-33 are also short answer type carrying 3 marks each. Answer should be around 60 words each.
 - (vi) Question Nos. 16-18 and 34-36 are long answer type carrying 5 marks each. Answer should be around 100 words each.
 - (vii) Internal choice to be exercised in question Nos. 15, 18, 33 and 36.
 - (viii) Word limit is not applicable to answers on differentiation, diagrams and those of numerical nature.
 - (ix) All diagrams should be drawn in black lead pencil only.
 - (x) Use of any calculating device is not allowed.

Section A

1. The want satisfying power of a commodity is called as 1
- Cost
 - Utility
 - Budget
 - Consumption
2. Different consumption bundles on an Indifference curve indicate 1
- ×
- Equal level of satisfaction
 - Unequal level of satisfaction
 - Zero level of satisfaction
 - Negative level of satisfaction
3. Goods which are demanded together to satisfy a given want are known as 1
- Inferior goods
 - Prestige goods
 - Substitute goods
 - Complementary goods
4. Any point on the production possibility curve indicates 1
- Under-utilisation of resources
 - Over-utilisation of resources
 - Optimum utilisation of resources
 - Non-utilisation of resources

5. What will be the impact on the demand curve of automobiles if the price of fuel rises ? 1

- Demand curve will shift to the left
- Downward movement along the demand curve
- Demand curve will shift to the right
- Upward movement along the demand curve

6. Formation of cartels is a feature of which of the following type of market ? 1

- Monopolistic competition
- Oligopoly
- Perfect competition
- Monopoly

7. A producing firm spends ₹ 50,000 on purchase of variable inputs and its total cost of production is ₹ 1,50,000. What is the fixed cost incurred by the firm ? 1

- ₹ 2,00,000
- ₹ 50,000
- ₹ 1,00,000
- ₹ 1,50,000

8. Output produced per unit of variable factor employed is called as 1
- Marginal cost
 - Average product
 - Average cost
 - Marginal product
9. A consumer buys 10 units of good X and 20 units of good Y by spending his entire income. If price of good X is ₹ 20 per unit and that of good Y is ₹ 50 per unit, what is the income of the consumer ? 2
10. Explain the following two features of monopoly market : 2
- (a) Single seller
 - (b) Price discrimination.
11. As price of a commodity rises by 20%, quantity demanded falls from 100 units to 50 units. Calculate the price elasticity of demand using percentage method. 2
12. Draw suitable diagram to show changes in equilibrium price in each of the following situations : 2
- (a) Due to a fall in the price of coffee beans, the cost of coffee production has decreased and demand for coffee remains the same.
 - (b) The 61 days fishing ban in Goa during monsoon has affected the availability of fish in the market and demand for fish remaining constant.

13. Explain the *three* central problems of an economy. 3
14. Draw neat labelled diagrams for the following : 3
- (a) Unitary elastic demand
 - (b) Perfectly inelastic demand
 - (c) Relatively inelastic demand.
15. What is meant by the following terms ? 3
- (a) Constant returns to scale
 - (b) Contraction in supply
 - (c) Relatively elastic supply.

Or

What is meant by the following terms ?

- (a) Marginal revenue
 - (b) Fixed factors of production
 - (c) Production function.
16. Explain the shifts in supply curve with the help of neat labelled diagrams. 5
17. Explain the Law of Demand with the help of a schedule and neat labelled diagram. 5
18. Explain any *five* features of monopolistic competition. 5

Or

Explain any *five* features of perfect competition.

Section B

19. Income from property and entrepreneurship is called as 1
- Operating surplus
 - x • Mixed income
 - Compensation of employees
 - Transfer income
20. Which of the following is true at equilibrium level of output or income at full employment level ? 1
- $AD > AS$
 - $AS > AD$
 - $AD < AS$
 - $AD = AS$
21. What will be the savings if income is ₹ 70 crores and consumption is ₹ 90 crores ? 1
- ₹ 20 crores
 - ₹ 70 crores
 - ₹ -20 crores
 - ₹ -70 crores

22. Why is the income from the sale of a second hand vehicle not included in the estimation of national income ? 1

- Because it is a transfer income
- Because its value was already recorded in the year of its production
- Because it is an illegal income
- Because it is part of savings

23. Income earned by the government from the property left by a person without a legal heir is called as 1

- Special Assessment
- Fees
- Fines
- Escheat

24. The economic situation where the exchange rate of Indian rupee per US dollar has changed from ₹ 85 to ₹ 80 implies 1

- Appreciation of rupee
- Demonetisation of rupee
- Depreciation of rupee
- Devaluation of rupee

25. Consumption as a component of income is always 1
- Constant
 - Negative
 - Positive
 - Zero
26. If the personal income is ₹ 60,000, personal direct tax is ₹ 5,000, fees and fines are ₹ 2,500, then the personal disposable income is 1
- ₹ 52,000
 - ₹ 50,000
 - ₹ 50,500
 - ₹ 52,500
27. Identify the externalities from the following situations : 2
- (a) A newly, started tyre manufacturing factory in a village emits smoke creating air pollution in the village affecting health of people.
- (b) A free health check up camp for the villagers organised by a charitable trust on the occasion of Independence Day.
28. Explain any *two* components of aggregate demand. 2
29. State the motives behind demand for money in the following situations : 2
- (a) Mr. Suraj saves ₹ 5,000 every month in the post office to meet the medical emergencies in future.
- (b) Mrs. Sunita spends ₹ 8,000 every month to meet the daily household expenses.

30. Define the following terms : 2
- (a) Investment Multiplier
 - (b) Involuntary Unemployment.
31. What is meant by the following : 3
- (a) Bank Rate
 - (b) Primary deposits
 - (c) Secondary deposits.
32. Explain savings function with the help of neat labelled diagram. 3
33. Define the following concepts : 3
- (a) Balanced Budget
 - (b) Surplus Budget
 - (c) Deficit Budget.

Or

Define the following concepts :

- (a) Revenue deficit
- (b) Fiscal deficit
- (c) Primary deficit.

34. Explain circular flow of National Income with the help of neat labelled diagram. 5
35. Explain the current account and capital account as component of Balance of Payment. 5
36. Explain any *five* functions of Money. 5

Or

Explain any *five* functions of Central Bank.