

GUIDELINES

(By Subrata Sir, Sunny Sir & group of ICSE and CBSE school teachers)

ECONOMIC APPLICATION

MOCK PAPER – 1 (2024)

Time: 2 hours

Total Marks: 100

General Instructions:

1. Answers to this Paper must be written on the paper provided separately.
2. You will not be allowed to write during the first 5 minutes. This time is to be spent in reading the question paper.
3. The time given at the head of this Paper is the time allowed for writing the answers.
4. Attempt all questions from Section A, any 4 questions from section B.
5. The intended marks for questions or parts of questions are given in bracket [].

Section – A

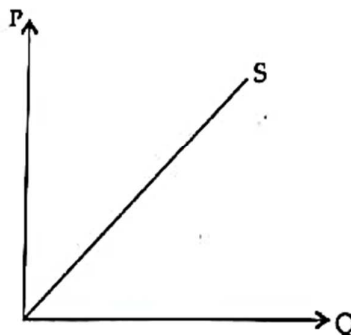
(Attempt all questions from this Section)

Question 1

Choose the correct answer to the questions from the given options.

[20]

- (i) Identify the pair of goods which are substitutes of each other.
- | | |
|----------------------|--------------------|
| (a) Coffee and Sugar | (b) Tea and Coffee |
| (c) Bread and butter | (d) Pen and ink |
- (ii) Perfectly Elastic demand is shown by
- | | |
|----------------------|-----------------|
| (a) $(E_d = \infty)$ | (b) $(E_d = 0)$ |
| (c) $(E_d > 1)$ | (d) $(E_d < 1)$ |
- (iii) Determinants of factor of supply of goods :
- | | |
|------------------------------------|---------------------------|
| (a) Price of good | (b) Price of Related Good |
| (c) Price of factors of production | (d) All of these |
- (iv) For normal goods supply curve is sloping.
- | | |
|----------------------|-----------------------|
| (a) Upward | (b) Downward |
| (c) Both (a) and (b) | (d) None of the above |
- (v) The figure given shows:



- | | |
|----------------------------------|---------------------------------|
| (a) Perfect elasticity of supply | (b) Perfect inelastic of supply |
| (c) Unitary Elasticity | (d) None of the above |

- (vi) If the price elasticity of supply is 1 and the percentage change in price is 10, then the percentage change in quantity supplied should be:
 (a) 10
 (b) Greater than 10
 (c) Lesser than 10
 (d) 1
- (vii) The ecosystem started deteriorating due to
 (a) The growing population
 (b) Increasing need for resources
 (c) Fastest economic development
 (d) All of the above
- (viii) Which of the following is a characteristic of labour?
 (a) The labourer and his labour are inseparable.
 (b) The labourer sells his services only.
 (c) Labour is an active factor of production.
 (d) All of the above.
- (ix) Which of the following is considered as an advantage of division of labour?
 (a) Excessive interdependence
 (b) Retard development of personality
 (c) Imbalance in territorial developments
 (d) Increase in production
- (x) Which of the following measure cannot be used to improve efficiency of labour in the unorganised sector in India?
 (a) Payment of wages should be prompt
 (b) Decreases
 (c) Working conditions should be the same and not be improved
 (d) All of the above.
- (xi) _____ capital is used once in production whereas _____ capital can be used for long time.
 (a) Circulating; Fixed
 (b) Fixed; Working
 (c) Sunk; Floating
 (d) Real; Debt
- (xii) When an entrepreneur introduces a new technique or new product it is called?
 (a) Invention
 (b) Innovation
 (c) Expansion
 (d) Inspiration
- (xiii) Entrepreneurs are known as undertakers or adventurer because:
 (a) An entrepreneur discovers new market for their product.
 (b) An entrepreneur discovers, develops new ideas & new techniques.
 (c) An entrepreneur works on old strategies of marketing.
 (d) Option (a) and (b).
- (xiv) Which of the following is a characteristic of Market?
 (a) Market is an area and not a place
 (b) Presence of buyers and sellers
 (c) Close contact between buyers and sellers
 (d) All of the above
- (xv) Which of the following market types has the fewest number of firms?
 (a) Perfect competition
 (b) Monopolistic Competition
 (c) Monopoly
 (d) Always negative
- (xvi) Study the relationship in the first pair of words and complete the second pair:
 Income tax: Direct tax Indirect tax
 (a) Property tax
 (b) Entertainment tax
 (c) House tax
 (d) Corporate tax
- (xvii) A compulsory payment by the citizens of the country to the government without any expectation of corresponding benefits for such payments. This defines:
 (a) Tax
 (b) Subsidy
 (c) Discount
 (d) Concession
- (xviii) The main problems faced by the public sector enterprises are .
 (a) Lack of Incentives
 (b) Wasteful Expenditure
 (c) Corruption
 (d) All of the above
- (xix) Under utilisation of capacity is the important feature of:
 (a) Private Sector
 (b) Public Sector
 (c) Cooperative sector
 (d) All of the above

- (xx) Which of the following is an advantage of credit card over currency notes?
- (a) Credit Cards are not much secure (b) We cannot carry money safely.
(c) Most convenient way for transaction (d) All of the above

Question 2

- (i) Distinguish between joint demand and composite demand. [2]
(ii) A consumer purchased 10 units of a commodity when its price was INR 5 per unit. He purchases 12 units of the commodity when price falls to INR 4 per unit. Calculate the price elasticity of demand for the commodity. [2]
(iii) Draw and briefly explain a perfectly inelastic supply curve. [2]
(iv) Suggest any two measures to improve efficiency of labour in [2]
(v) "Entrepreneurs are innovators." Briefly explain. [2]

Question 3

- (i) State whether true or false with reason:
Selling costs are higher in monopolistic competition. [2]
(ii) Give one difference between qualitative and quantitative credit control. [2]
(iii) State whether the following statements are true or false. Give reasons:
Inflation has a favourable effect on producers. [2]
(iv) Explain how an improper price policy results in the poor performance of public sector enterprises? [2]

Section – B

(Attempt any four questions from this Section)

Question 4

- (i) Read the extract given below and answer the questions that follows:
The Times of India, New Delhi.
"Today's youths are in no mood to wait especially when it comes to investments."
Investors in the age group of 24 to 30 want to stay invested only for one or two years rather than having their money blocked for 10-20 years.
Define capital formation, and explain six ways of increasing investment in India. [7]
(ii) (a) Draw diagrams of extension in demand. [7]
(b) Explain the meaning of extension in demand [8]
(c) Explain the meaning of contraction in demand. [8]

Question 5

- (i) State the law of demand. Explain the following exceptions to this law. [4]
(a) Fear of Shortage
(b) Veblen goods [7]
(ii) Prepare a hypothetical individual demand schedule, and also draw the individual demand curve based on the schedule. [8]

Question 6

- (i) Explain the types of elasticities of demand. [7]
(ii) What does the law of supply state? List any six assumptions of this law. [8]

Question 7

- (i) Explain how the following factors affect the supply of a commodity: [4]
(a) State of technology
(b) Price of factors of production
(c) Goals of the firm [7]
(ii) (a) What do you understand by efficiency of labour? [7]
(b) Discuss any two causes of low efficiency of labour
(c) Suggest one measure to improve it. [8]

Question 8

- (i) What is meant by industrialization? Explain the following impacts of industrialization on the environment.
- (a) Greater pressure on natural resources
 - (b) Noise Pollution and air pollution
 - (c) Generation of industrial waste
- (ii) (a) Define efficiency of labour [7]
- (b) Explain why efficient labour force is an important economic ingredient.
 - (c) Explain the factors that determine the efficiency of labour. [8]

Question 9

Read the following extract and answer the questions that follow:

Money is not everything, but money is something very important. Beyond the basic needs, money helps us achieve our life's goals and supports — the things we care about most deeply — family, education, health care, charity, adventure and fun. It helps us get some of life's intangibles — freedom or independence, the opportunity to make the most of our skills and talents, the ability to choose our own course in life, financial security. With money, much good can be done and much unnecessary suffering avoided or eliminated.

But money has its own limitations too. It can give us the time to appreciate the simple things in life more fully, but not the spirit of innocence and wonder necessary to do so. Money can give us the time to develop our gifts and talents, but not the courage and discipline to do so.

Money can give us the power to make a difference in the lives of others, but not the desire to do so. It can give us the time to develop and nurture our relationships, but not the love and caring necessary to do so. It can just as easily make us jaded, escapist, selfish, and lonely. How much do you need? What is it going to cost you to get it? It is keeping these two questions in mind that gives us a true sense of money's relationship to happiness. If we have less than what we need, or if what we have is costing us too much, we can never be happy. We need money to eat, sleep, dress, work, play, relate, heal, move about, and enjoy comforts. We should remember in choosing our style that it comes with a price tag.

- (i) (a) How does money act as a measure of value?
- (b) What are the limitations of money? Explain any two.
 - (c) "Money is not everything, but money is something very important". Justify the statement. [7]
- (ii) (a) What is inflation?
- (b) State any two impacts of inflation.
 - (c) Can inflation lead to economic development? Give a reason for your answer. [8]