

GUIDELINES

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ECONOMICS

MOCK PAPER – 1 (2024)

Time: 2 hours

Total Marks: 80

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 10 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

(Answer all the questions from this Section)

Question 1

- (i) Product differentiation arises due to difference in:
- | | |
|------------------|----------------------|
| (a) Colour | (b) Packaging |
| (c) Raw material | (d) All of the above |
- [1]
- (ii) Why land is considered passive?
- | |
|---|
| (a) It cannot produce anything on its own. |
| (b) It requires labour and capital to produce anything. |
| (c) Land is immobile. |
| (d) All of the above |
- [1]
- (iii) is considered as part of capital.
- | |
|---|
| (a) A vehicle used by proprietor's son. |
| (b) A building used by proprietor for residential purposes. |
| (c) Machinery used in factory for producing goods. |
| (d) None of these . |
- [1]
- (iv) When the demand of a product increases due to factors other than own price, it is a situation of:
- | |
|--------------------------------------|
| (a) Increase in demand. |
| (b) Decrease in demand. |
| (c) Movement along the demand curve. |
| (d) None of these. |
- [1]
- (v) Pick the Option which does not belong to the group:
- | | |
|--------------------|----------------------|
| (a) Hotels | (b) Pharmacies |
| (c) Grocery stores | (d) Fighter aircraft |
- [1]
- (vi) Mobilisation of savings takes place when a:
- | |
|--|
| (a) High part of income is saved. |
| (b) Saved part is invested in banks or other financial institutions. |
| (c) Both (a) and (b). |
| (d) None of these. |
- [1]
- (vii) Division of labour cannot be done easily in:
- | |
|----------------------------|
| (a) Building a house |
| (b) Construction of bridge |
| (c) Painting a picture |
| (d) None of these |
- [1]

(viii) Low rate of capital formation occurs when:

- (a) Low rate of savings
- (b) Unwillingness to save
- (c) Insufficient saving opportunities
- (d) All of the above

[1]

(ix) Product those are same with respect to quality, type and use. What will you call it?

- (a) Homogeneous product
- (b) Differentiated product
- (c) Heterogeneous product
- (d) None of the above

[1]

(x) The goods which do not have a direct relationship with price (in context of supply) are:

- (a) Milk
- (b) Vegetables
- (c) Fruits
- (d) All of these

[1]

(xi) What is the value of elasticity of demand, when the price of a product increases by 10 % and as a result its demand falls by 20%?

- (a) 2
- (b) 0.50
- (c) 200
- (d) None of these

[1]

(xii) Study the relationship in the first pair of words and complete the second pair:

Creeping inflation : 2% to 3%

Running inflation : _____

- (a) 8% to 9%
- (b) 10% to 20%
- (c) 3.3% to 8%
- (d) 20% to 40%

[1]

(xiii) Capital is a concept as it is measured at a certain point of time.

- (a) Flow
- (b) Stock
- (c) Either (a) or (b)
- (d) None of these

[1]

(xiv) In which of the following options demand rises due to changes in taste and fashion?

- (a) Jeans in place of trousers.
- (b) Colour television in place of black and white television.
- (c) E-mails in place of hand written letters.
- (d) All of these.

[1]

(xv) Which type of market has only one single seller and many buyers?

- (a) Monopoly
- (b) Oligopoly
- (c) Perfect Competition
- (d) Monopolistic Competition

[1]

(xvi) In _____ neither buyers nor sellers have the power to influence the market.

- (a) Monopoly
- (b) Oligopoly
- (c) Perfect Competition
- (d) Monopolistic Competition

Question 2

- (i) Mention two causes of low efficiency of labour in India. [2]
- (ii) Name and explain different types of Demonetisations of currency. [2]
- (iii) What is meant by walking inflation. [2]
- (iv) What do you understand by the term 'consumer awareness'. [2]

Question 3

- (i) "Commercial Bank can accept a deposits in many ways." Explain. [2]
- (ii) What is the meaning of the term 'fiat money'? [2]
- (iii) What are the disadvantages of division of labour? [2]
- (iv) State any two differences between an entrepreneur and other factors of production. [2]

Question 4

- (i) What is meant by double co-incidence of wants? [2]
- (ii) Name two instruments of fiscal policy. [2]
- (iii) Define a Bank. [2]
- (iv) State any two objectives of COPRA, 1986. [2]

SECTION B

(Attempt any four questions from this Section)

Question 5

- (i) What do you mean by labour? Explain the various characteristics of labour. [5]
- (ii) (a) Define money. [5]
(b) Explain any four contingent functions of money.

Question 6

- (i) Give three factors which affect the productivity of land and write any two differences between land and capital. [5]
- (ii) (a) How does progressive tax differ from proportional tax?
(b) Write any three principles which justify the reasons for increasing in public expenditure in India over the years. [5]

Question 7

- (i) Explain different methods of redemption of public debt. [5]
- (ii) Define Tax. Discuss the characteristics of a good tax system. [5]

Question 8

- (i) Write a short note on latest demonetisation of Indian currency. [5]
- (ii) What is meant by the term 'inflation'? What is its impact on debtors? [5]

Question 9

- (i) Define a commercial bank. How do commercial banks mobilise deposits from the public. [5]
- (ii) (a) How have indirect taxes proved to be useful?
(b) What are the limitations of indirect taxes? [5]

Question 10

- (i) What are the causes of low capital formation in India? [5]
- (ii) A consumer purchased 10 units of a commodity when its price was Rs 5 per unit. He purchases 12 units of the commodity when price falls to Rs 4 per unit. Calculate the price elasticity of demand for the commodity. [5]