

# ECONOMICS

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Maximum Marks: 80

**Time allowed: Two hours**

*Answers to this Paper must be written on the paper provided separately.*

*You will **not** be allowed to write during the first 15 minutes.*

*This time is to be spent in reading the question paper.*

***The time given at the head of this Paper is the time allowed for writing the answers.***

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*Attempt all questions from Section A and any four questions from Section B.*

*The intended marks for questions or parts of questions are given in brackets [ ].*

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## **SECTION A (40 Marks)**

*(Attempt all questions from this Section.)*

### **Question 1**

[16]

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

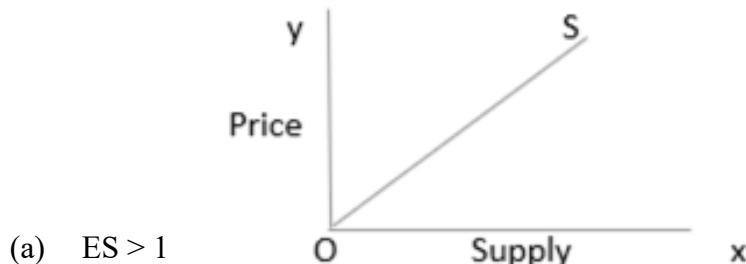
(Do not copy the questions, write the correct answers only.)

- (i) If the *rate of tax* falls with an increase in income, it is called as:
- (a) Regressive
  - (b) Progressive
  - (c) Digressive
  - (d) Proportional
- (ii) Which is *an assumption* to law of demand?
- (a) No change in price of factor input
  - (b) No change in size and composition of population
  - (c) No change in number of firms operating in a market
  - (d) No change in goal of a firm

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**This paper consists of 8 printed pages.**

- (iii) Which is *an essential feature* of barter system?
- (a) It is based on transfer of value
  - (b) It is based on double coincidence of wants
  - (c) It is based on unit of account
  - (d) It is based on store of value
- (iv) If a labourer *does not work* for a day, his one day's work will be *lost forever*.  
It implies:
- (a) Labour is less mobile
  - (b) Labour is perishable
  - (c) Labour is less efficient
  - (d) Labour is sensitive in nature
- (v) With reference to Perfect competition form of market, choose the *odd one out*.
- (a) Restricted entry
  - (b) Perfect knowledge
  - (c) Homogeneous products
  - (d) Perfect mobility
- (vi) Identify the *degree of elasticity* of supply from the following graph:



- (a)  $ES > 1$
- (b)  $ES < 1$
- (c)  $ES = 1$
- (d)  $ES = 0$

- (vii) Maruti, Tata and Hyundai are examples of which *form* of market?
- (a) Perfect competition
  - (b) Oligopoly
  - (c) Monopoly
  - (d) Duopoly
- (viii) With *price being same* an increase in the price of inputs will lead to \_\_\_\_\_ in the supply curve.
- (a) Upward movement
  - (b) Rightward shift
  - (c) Downward movement
  - (d) Leftward shift
- (ix) Which of the following is *not* an advantage of division of labour?
- (a) Reduces cost of production
  - (b) Expansion of employment
  - (c) Low quality goods
  - (d) Inventions
- (x) *The State Electricity Board sells electricity at cheaper rates for domestic use than for commercial use.* Given statement shows an act of:
- (a) Product differentiation
  - (b) Price discrimination
  - (c) Consumer exploitation
  - (d) Price determination

- (xi) The year 2023 was celebrated as ‘International Year of Millets’ and the government decided to *subsidize* the production of millets. In such case the supply curve will:
- (a) Shift to the right
  - (b) Shift to the left
  - (c) Be horizontal
  - (d) Be vertical
- (xii) Mr. Rao needs to *pay license fee to the government* to start his electric vehicle shop and some documents to meet the safety norms.

The revenue earned by the government from this process will be called as \_\_\_\_\_ revenue.

- (a) Commercial
  - (b) Central
  - (c) GST
  - (d) Administrative
- (xiii) The ‘Right’ which allows the consumer to receive due consideration at appropriate forum relating to his / her welfare is:
- (a) Right to education
  - (b) Right to seek redressal
  - (c) Right to be heard
  - (d) Right to be informed
- (xiv) The elasticity of demand for *school bag* will be \_\_\_\_\_.  
  - (a) Elastic
  - (b) Perfectly elastic
  - (c) Unitary elastic
  - (d) Inelastic

- (xv) When State Bank of India is under financial crisis and borrows money from Central Bank at a *certain rate* against approved securities, it will be called as:
- (a) Interest rate
  - (b) Lending rate
  - (c) Reverse lending
  - (d) Bank rate
- (xvi) If Coke and Fanta are close substitutes to each other, a rise in price of Coke will lead to \_\_\_\_\_ for Fanta.
- (a) Decrease in demand
  - (b) Increase in demand
  - (c) Increase in quantity supplied
  - (d) No change in demand

### **Question 2**

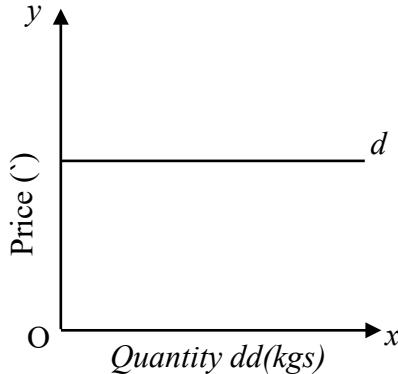
- (i) Explain *any two* causes for the growth of public expenditure. [2]
- (ii) What are *funded debts*? [2]
- (iii) How can we define the term *market* in economics? [2]
- (iv) '*A state of running or hyperinflation in any economy is very harmful for production.*' Justify the statement with *two* reasons. [2]

### **Question 3**

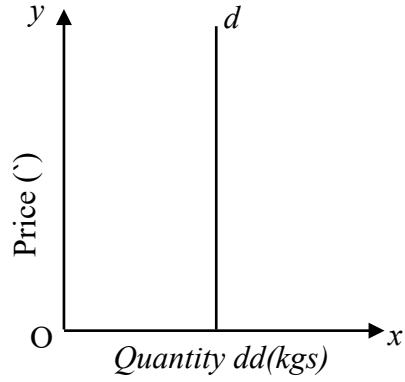
- (i) What is the *formula* for percentage method of calculating price elasticity of supply? [2]
- (ii) What is *walking inflation*? [2]

- (iii) What does *RTI* stand for? What *provision* is provided under this Act to the citizens of the country? [2]

- (iv) [2]



**Picture 1**



**Picture 2**

Analyse the given graphs and identify the type of elasticity of demand of:

(a) Picture 1

(b) Picture 2

#### Question 4

- (i) What is the *legal* definition of money? [2]

- (ii) How is internal debt *different* from external debt? (*One point*) [2]

- (iii) State whether the following statement is true or false. Give reason for your answer. [2]

*The capital like printing machines, tools when used in process of production are subject to depreciation.*

- (iv) Define the term *public finance*. [2]

## **SECTION B (40 Marks)**

*(Attempt any four questions from this Section.)*

### **Question 5**

- (i) (a) Define productivity of land. [5]  
(b) Explain *any three* factors affecting productivity of land.
- (ii) Give *five* points of difference between Commercial and Central Bank. [5]

### **Question 6**

- (i) (a) What is the meaning of creeping inflation? [5]  
(b) Explain *any three* causes of demand-pull inflation.
- (ii) (a) What is an *overdraft facility*? [5]  
(b) Differentiate between demand deposits and fixed deposits. (*Three points*)

### **Question 7**

- (i) State and explain the law of demand with the help of a hypothetical schedule and graph. [5]
- (ii) Read the following statements: [5]

State whether demand will be *Elastic* or *Inelastic*.

Give reasons for your answer.

- (a) The demand for *salt* by households.  
(b) A consumer prefers to *postpone* the purchase of a car to avail more of year ending discount.

### **Question 8**

- (i) (a) Define *labour* as a factor of production. [5]  
(b) Mention *any three* decision making functions of an entrepreneur.
- (ii) How are consumers *exploited* by producers and retailers? [5]

### **Question 9**

- (i) Give *any five* points of *differences* between direct and indirect tax. [5]
- (ii) (a) What are *proportional* taxes? [5]
- (b) Explain *any three* features of a monopoly market.

### **Question 10**

- (i) (a) What do you mean by *market supply*? [5]
- (b) Briefly explain *any three* factors that affect supply of a commodity.
- (ii) Read the extract and answer the following questions: [5]

*Food adulteration is a complex issue that requires a multi-pronged approach involving government intervention, industry cooperation, and consumer awareness. In Country X, addressing food adulteration is an ongoing challenge, but with a concerted effort from all stakeholders, there is hope for creating a safer and more trustworthy food supply chain in the future.*

- (a) In order to secure consumer rights what duties should the consumers fulfil?
- (b) Mention *any two* harmful effects of food adulteration.