

ECONOMICS

Maximum Marks: 80

Time allowed: Two hours

1. *Answers to this Paper must be written on the paper provided separately.*
2. *You will **not** be allowed to write during the first 15 minutes.*
3. *This time is to be spent in reading the question paper.*
4. *The time given at the head of this Paper is the time allowed for writing the answers.*

5. *Attempt all questions from Section A and any four questions from Section B.*
6. *The intended marks for questions or parts of questions are given in brackets [].*

Instruction for the Supervising Examiner

Kindly read aloud the Instructions given above to all the candidates present in the Examination Hall.

This Paper consists of 11 printed pages and 1 blank page.

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Turn Over

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 question, write the correct answers only.)

- (i) When the value of commodity is expressed in terms of money it is called _____.
- (a) Deposit
 - (b) Price
 - (c) Barter system
 - (d) Transfer of value
- (ii) Which of the following market structures has the *maximum* number of sellers?
- (a) Oligopoly
 - (b) Monopolistic competition
 - (c) Monopsony
 - (d) Monopoly
- (iii) Rajesh bought a protein powder that claimed to be 100% natural. However, after using it, he developed skin allergy as it contained synthetic ingredients. Which consumer right is violated?
- (a) Right to be Informed
 - (b) Right to Speak
 - (c) Right to Choose
 - (d) Right to be Heard

(iv) **Assertion (A):** In modern times public expenditure in all the countries have increased tremendously.

Reason (R): The provision for social security measures like old age pensions is **NOT** one of the duties of the Government.

- (a) Both (A) and (R) are correct and (R) is the correct explanation of (A).
- (b) Both (A) and (R) are correct and (R) is not the correct explanation of (A).
- (c) (A) is false and (R) is true.
- (d) (A) is true and (R) is false.

(v) If inflation is a result of an *increase in the price* of factors of production, the result is _____ inflation.

- (a) Creeping
- (b) Cost-push
- (c) Demand-pull
- (d) Running

(vi) Which of the following is a primary reason for demonetisation by the government?

- (a) To increase foreign investment
- (b) To curb black money and counterfeit currency
- (c) To increase inflation
- (d) To promote foreign trade

(vii) Study the relationship in the first pair and complete second pair:

I.	Monopolistic competition	Differentiated goods
II.	Monopoly	_____

- (a) No close substitutes
- (b) Perfect substitutes
- (c) No Cartel formation
- (d) Small number of sellers

(viii) A group of innovative entrepreneurs help to:

- (a) Create employment opportunities
- (b) Reduce export income
- (c) Bring imbalance in regional growth
- (d) Increase dependence on other economies

(ix) The firm under perfect competition is a:

- (a) Price maker
- (b) Price taker
- (c) Price stabiliser
- (d) Unique seller

(x) Ecofriendly bricks are made from recycled waste. To encourage the producers, Government plans to subsidise electricity and water supply. In this scenario the supply curve of the ecofriendly bricks in market _____.

- (a) Shifts rightward
- (b) Shifts leftward
- (c) Moves downward
- (d) Moves upward

- (xi) Goods that can be used in place of one another are _____ goods.
- (a) Complementary
 - (b) Substitute
 - (c) Composite
 - (d) Joint
- (xii) **Statement 1:** Producers benefit from improved and advance technology.
Statement 2: Improved technology reduces the cost of production.
- (a) Statement 1 is true and Statement 2 is false.
 - (b) Statement 1 is false and Statement 2 is true.
 - (c) Both Statements 1 and 2 are true.
 - (d) Both Statements 1 and 2 are false.
- (xiii) Division of labour *discourages* production in large scale.
- (a) True
 - (b) False
- (xiv) Identify the *incorrect* statement about fixed deposits.
- (a) They are also called as time deposits.
 - (b) The deposits are made in equal intervals.
 - (c) They earn high rate of interest.
 - (d) There is no cheque facility provided.

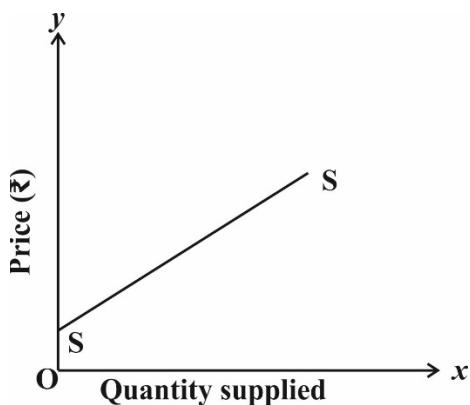
(xv)



The above image shows a type of demand which has many uses. *Identify* the type of demand.

- (a) Composite
- (b) Complementary
- (c) Joint
- (d) Substitute

(xvi) The following image shows:



- (a) Relatively Elastic Supply
- (b) Relatively Inelastic Supply
- (c) Perfect Inelastic Supply
- (d) Unity Elastic Supply

Question 2

- (i) What is *consumer awareness*? [2]
- (ii) Explain the term *labour*. [2]
- (iii) State and explain *any one* exception to the law of demand. [2]
- (iv) Based on the image given below *identify* and *explain* the expenditure incurred by the government on these programmes. [2]



Question 3

- (i) Why do labourers have *less bargaining power*? [2]
- (ii) Under which scenario does the *supply curve* become parallel to *y-axis*? [2]
- (iii) During recession, economies experience increased unemployment and a reduced level of income. What impact will it have on the demand for new cars? [2]
- (iv) "*Indirect taxes are also called as taxes in the dark.*" [2]
Justify the statement with the suitable reasons.

Question 4

- (i) Identify and explain the type of division of labour shown in the given image. [2]



- (ii) What are *short term* loans? [2]
- (iii) How is ‘rationing of credit’ used as a method to control credit in the economy? [2]
- (iv) What is the meaning of ‘*incidence of taxation*’. [2]

SECTION B (40 Marks)

(Attempt any four questions from this Section.)

Question 5

- (i) State and explain *any five characteristics* of labour. [5]
- (ii) Explain *any five demerits* of indirect tax. [5]

Question 6

- (i) (a) Define *perfect competition market*. [5]
- (b) State and explain *any three characteristics* of perfect competition market.

- (ii) *In today's marketplace, consumer rights are important as it ensures fair treatment. These rights empower consumers to make informed decisions and seek redressal if they face any issues.* [5]
Given that consumers are empowered to make decisions. State and explain how consumers are still exploited.

Question 7

- (i) Give *any five advantages* of division of labour. [5]
(ii) (a) Define *Elasticity of demand*. [5]
(b) Explain *any three factors* that affect elasticity of demand.

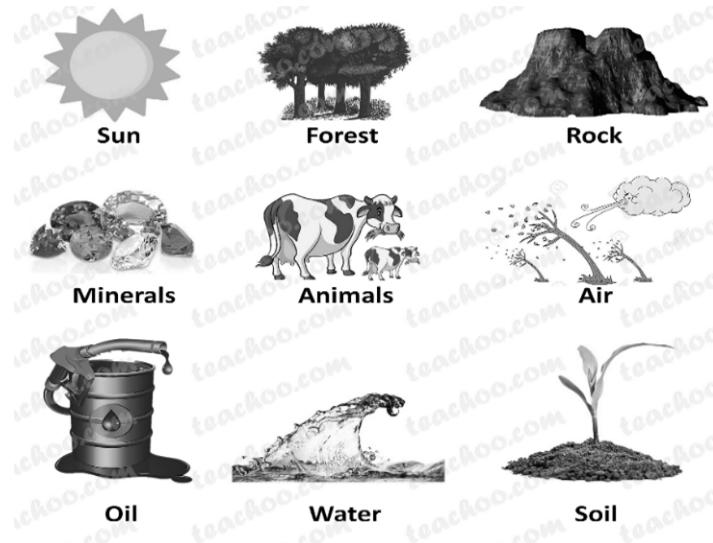
Question 8

- (i) Differentiate between *increase in demand* and *decrease in demand*. [5]
(ii) With reference to Public Finance answer the following questions: [5]
(a) What is the meaning of Public Finance?
(b) Name *any two sources* of Public Revenue.
(c) Mention *one example* of Direct Tax.

Question 9

- (i) (a) Mention *one positive* and *two negative* impacts of inflation on production. [5]
(b) Identify the following stages of inflation:
1. Inflation which is considered safe and essential for economic growth.
2. Inflation which is considered as warning signal for the government.

- (ii) (a) Identify the *factor* of production exhibited in the image given below.
- (b) Explain *any four characteristics* of the identified factor. [5]



Question 10

- (i) (a) What is *cash credit*? [5]
- (b) Give *three* differences between saving deposits and recurring deposits.
- (ii) Read the extract and answer the following questions. [5]

The barter system served its purpose in early economies, the development and adoption of money have significantly enhanced the efficiency and functionality of trade. Money addresses the limitations of barter by providing a standard measure of value. The shift from barter to money is a testament to the evolving needs of complex economic systems.

- (a) Mention the *first two stages* of evolution of money.
- (b) What is the meaning of barter system of exchange?
- (c) Explain *any one problem* of barter system of exchange.