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

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## SECTION A

### Q.1 MCQ

1. Which is the first stage in the process of capital formation ?  
(a) Creation of savings (b) Mobilisation of savings  
(c) Investments of savings (d) None of these
2. What would you call the person who performs dual functions of risk taking and control ?  
(a) Promoters (b) Labourers (c) Entrepreneur (d) Debtors
3. Inflation means \_\_\_\_\_ rise in price.  
(a) continuous (b) sustainable (c) no (d) high
4. The debt which yields income to the government is called as :  
(a) Gross (b) Productive (c) Unproductive (d) Internal
5. Capital expenditure is \_\_\_\_\_ in nature.  
(a) non-recurring (b) recurring (c) simple (d) complex
6. In this deposit account, an account holder has to deposit certain fixed amount every month for a specified period :  
(a) Fixed deposit account (b) Current account  
(c) Savings bank account (d) Recurring deposit account
7. RTI stands for :  
(a) Referred True Instance (b) Reliance Transport Insurance  
(c) Right to Information (d) Rural Trust of India
8. Which of them is considered to be the banker of the government ?  
(a) Commercial Bank (b) Dena Bank  
(c) Reserve Bank of India (d) Federal Bank
9. There are a large number of buyers and sellers under a \_\_\_\_\_ market.  
(a) monopoly (b) perfect (c) oligopoly (d) All of these
10. Cotton and cotton seeds are examples of \_\_\_\_\_ supply.  
(a) jointly produced goods (b) inferior goods  
(c) inferior goods (d) composite goods
11. \_\_\_\_\_ earns income in the form of profit as a factor of production.  
(a) Land (b) Labour (c) Capital (d) Entrepreneur
12. Capital as a factor of production is \_\_\_\_\_ in nature.  
(a) Durable (b) Perishable (c) Immobile (d) Limited
13. In case of inferior goods, the income elasticity of demand is :  
(a) positive (b) zero (c) negative (d) infinite
14. Increase in supply is also known as :  
(a) Leftward shift or supply curve (b) Rightward shift to supply curve

- (c) Upward Movement to supply curve      (d) Downward movement of supply curve
15. Goods and Services Tax (GST) is an example of :
- (a) Direct tax      (b) Indirect tax      (c) Income tax      (d) Local tax
16. Revenue which is derived by the government from Railway fares is :
- (a) Commercial revenue      (b) Administrative revenue  
(c) Social revenue      (d) Welfare revenue

**Q.2**

1. Define the term demand.
2. Explain any two factors affecting productivity of land.
3. What is the impact of inflation on farmers ?
4. What is demonetisation ?

**Q.3**

1. Define price elasticity of demand.
2. How does the price of a commodity affect the supply of a commodity ?
3. Mention the first four stages of evolution of money.
4. Explain any one disadvantage of the barter system of exchange.

**Q.4**

1. What is open inflation ?
2. Why do small farmers suffer during inflation ?
3. What is clearing house function of RBI ?
4. Who is a consumer ?

**SECTION B (40 marks)**

**Q.5**

1. What do you mean by perfect competition ? Enumerate its main features.
2. (a) Explain the law of demand.  
(b) Draw a diagram representing law of demand.

**Q.6**

1. Explain five Canons of taxation.
2. (a) What do you mean by productive Mechanism ?  
(b) Explain any three functions of Central Bank.

**Q.7**

1. Mention an important difference between a Commercial Bank and the Central Bank.  
Explain briefly three methods adopted by Commercial Banks to advance credit to borrowers.
2. Define the term 'Entrepreneur'. Discuss three ways by which an entrepreneur promotes economic growth.

**Q.8**

1. Explain any five Exceptions to the law of demand.
2. Explain any five factors affecting productivity of land.

**Q.9**

1. Draw a graphical figure showing perfectly elastic supply.
2. (a) Define a commercial bank.  
(b) Explain any two types of deposits accepted by commercial banks.

**Q.10**

1. Define labour. Suggest three methods to improve the efficiency of Indian labour.
2. Fill in the following market demand table :

Price (in ₹)	Consumer A	Consumer B	Consumer C	Market Demand
10	6	(a) _____	12	26
18	(b) _____	10	14	32
16	10	12	16	(c) _____
14	12	14	(d) _____	44
12	14	16	18	(e) _____

