



Narsee Monjee Educational Trust's  
**JAMNABAI NARSEE SCHOOL**

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**PRELIMINARY EXAMINATION –FEBRUARY 2022**  
**ECONOMICS**

**Std. 10 (ICSE)**

**Reading Time: 1:30 p.m. to 1:40 p.m.**

**Writing Time: 1:40 p.m. to 3:10 p.m.**

**Marks: 40**

**Date: 11/2/2022**

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**Maximum Marks: 40**

**Time allowed: One and a half hours**

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

**You will not be allowed to write during the first 10 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 three questions from Section B.**

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

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**This paper consists of 3 printed pages**

**SECTION A (Attempt all questions)**

**Question 1**

**Choose the correct answers to the questions from the given options. (Do not copy the question, write the correct answer only.)** [10]

**i) Which of the following is not a cause for inflation?**

- a) Fall in wages
- b) Higher taxes
- c) Increase in price of basic raw material
- d) Rise in salary

**ii) \_\_\_\_\_ debts are those whose principal amount is not refunded by the government.**

**However, interest is paid regularly on such debts for a long period of time.**

- a) Redeemable
- b) Irredeemable
- c) Funded
- d) Non funded

- iii) Capital expenditure is \_\_\_\_\_ in nature.
- a) non recurring
  - b) recurring
  - c) non developmental
  - d) simple
- iv) COPRA stands for \_\_\_\_\_.
- a) Consumer Preservation Act
  - b) Customer Protection Act
  - c) Consumption Protection Act
  - d) Consumer Protection Act
- v) BIS and Agmark are \_\_\_\_\_ measures of the government to protect the consumers.
- a) administrative
  - b) technical
  - c) collateral
  - d) demonstrated
- vi) The debt which yields income to the government is called \_\_\_\_\_ debt.
- a) gross
  - b) productive
  - c) Internal
  - d) External
- vii) Which of the following is a social cause for growth of public expenditure?
- a) growth of democracy
  - b) increase in defence expenditure
  - c) rise in prices
  - d) social security measures
- viii) Income tax is an example of \_\_\_\_\_.
- a) direct tax
  - b) state tax
  - c) indirect tax
  - d) local tax
- ix) Which of the following statement is correct for cash credit?
- a. Interest is charged on the whole amount.
  - b. No interest is charged.
  - c. Interest is charged on the 50% of the amount.
  - d. Interest is charged on the amount actually withdrawn.
- x) The main objective of Central Bank is to \_\_\_\_\_.
- a) earn profits
  - b) to reduce gender inequality
  - c) to promote social welfare
  - d) to reduce population

## SECTION B

(Attempt any three questions.)

### Question 2

- i) Explain any two duties of a consumer. [2]
- ii) What is the meaning of internal debt? [2]
- iii) Differentiate between Central Bank and Commercial Bank. [3]
- iv) Explain the harmful effects of food adulteration. [3]

### Question 3

- i) What does Consumer Price Index mean? [2]
- ii) Explain the *discounting of bill of exchange* as a method of advancing loan by commercial banks. [2]
- iii) Explain the following types of deposits: [3]
  - a) Demand deposits
  - b) Saving Deposits
  - c) Fixed Deposits
- iv) Explain any three economic causes of increase in public expenditure in India. [3]

### Question 4

- i) Differentiate between Revenue and Capital Expenditure. (Two points) [2]
- ii) What does Public Finance mean? [2]
- iii) (a) What is the meaning of Commercial Revenue? [3]  
(b) Give any two examples of Commercial Revenue of the government.
- iv) Explain the reasons for giving the monopoly right of note issue to the Central Bank. [3]

### Question 5

- i) Explain the meaning of GST. Give any one objective of GST. [2]
- ii) Explain the meaning of *degressive tax*. [2]
- iii) Briefly describe the objectives of demonetization in India. [3]
- iv) Explain any three effects of inflation on production. [3]

### Question 6

- i) Explain the term *food basket*. [2]
- ii) Explain how the Central Bank acts as a lender of last resort. [2]
- iii) Explain any three rights of a consumer. [3]
- iv) Explain the reasons for consumer exploitation. [3]