

ECONOMICS (49)

Time : 3 Hrs.

(8 Pages)

Max. Marks : 80

- Notes :* (1) All questions are compulsory.
(2) Draw neat tables / diagrams wherever necessary.
(3) Figures to the right indicate full marks.
(4) Write answers to all main questions on new page.

Q. 1. (A) Choose the correct option from given options : (5) [20]

(i) The branch of Economics that deals with the allocation of resources.

- (a) Micro Economics
- (b) Macro Economics
- (c) Econometrics
- (d) Monetary Economics

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|--------------|-------------------|
| (1) a, b, c, | (2) a, b |
| (3) only 'a' | (4) None of these |

(ii) Two or more goods demanded jointly to satisfy a single want.

- (a) Direct
- (b) Indirect
- (c) Joint / Complementary
- (d) Composite demand

- | | |
|-----------|--------------|
| (1) a, d, | (2) a, b, c |
| (3) a, c | (4) only 'c' |

(iii) Homogeneous product is a feature of this market.

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

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|--------------|-------------|
| (1) only 'c' | (2) a, b, c |
| (3) a, b, d | (4) c, d |

(iv) Economist who is of the view that public finance is one of those subjects which are on the borderline between economics and politics.

- (a) Adam Smith
- (b) Alfred Marshall
- (c) Prof. Hugh Dalton
- (d) Prof. Findlay Shirras

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|--------------|--------------|
| (1) only 'a' | (2) only 'b' |
| (3) only 'c' | (4) only 'd' |

(v) Role of foreign trade.

- (a) To earn foreign exchange.
- (b) To encourage investment.
- (c) Leads to division of labour.
- (d) Brings change in composition of exports.

- | | |
|-------------|-------------------|
| (1) a, b, c | (2) a, b, c, d |
| (3) a, b, d | (4) None of these |

(B) Complete the following correlations :

(5)

- (i) Micro Economics : Tree :: Macro Economics :
- (ii) Single consumer : Individual demand :: Many consumers
- (iii) : Downward sloping curve :: Supply curve : Upward sloping curve.
- (iv) Price index : Inflation :: : Agricultural production.
- (v) : Central bank :: State Bank of India : Commercial bank.

(C) Give economic terms for the following descriptions :

(5)

- (i) Utility of a commodity increases with a change in its time of utilization.
- (ii) The demand for a commodity which can be put to

- (ii) The demand for a commodity which can be put to several uses.
 - (iii) The market where there are a few sellers.
 - (iv) Financial statement showing the expected receipts and proposed expenditure of the government in the coming financial year.
 - (v) Deposits withdrawable on demand.
- (D) Complete and rewrite the following statements :**
- (i) When Marginal Utility (MU) is negative, Total Utility (TU) is _____.
 - (a) Rising
 - (b) Not changing
 - (c) Falling
 - (d) Zero
 - (ii) When less units are demanded at high price it shows _____.
 - (a) Increase in demand
 - (b) Expansion of demand
 - (c) Decrease in demand
 - (d) Contraction in demand
 - (iii) Revenue per unit of output sold is _____.
 - (a) Total revenue
 - (b) Marginal revenue
 - (c) Average revenue
 - (d) Marginal expenditure
 - (iv) Organised sector of money market in India includes _____.
 - (a) Indigenous bankers
 - (b) Money lenders
 - (c) Commercial Banks
 - (d) Unregulated non bank financial intermediaries

(v) Purchase of goods and services by one country from another country is _____.

- (a) Export trade
- (b) Import trade
- (c) Entrepot trade
- (d) Internal trade

Q. 2. (A) Identify and explain the following concepts (Any THREE): (6)

- (i) Madhav collected information about monthly expenditure of a family.
- (ii) Pooja satisfied her need of writing an essay by using pen and notebook.
- (iii) There are many firms producing soaps in India.
- (iv) Ramesh prepared share price index number.
- (v) Fall in price of sugar by 50% results in 50% rise in demand.

(B) Distinguish between the following (Any THREE):

- (1) Form Utility and Knowledge Utility.
- (2) Perfect competition and Monopolistic competition.
- (3) Partial equilibrium and General equilibrium.
- (4) Direct tax and Indirect tax.
- (5) Perfectly elastic demand and Perfectly inelastic demand.

Q. 3. Answer the following questions (Any THREE) :

[12]

- (i) Explain any four features of perfect competition.
- (ii) Calculate Quantity Index Number from the given data :

Commodity	Qty in 2010 (q_0)	Qty. in 2011 (q_1)
A	20	55
B	35	60
C	75	110
D	70	75

- (iii) Explain any four sources of non-tax revenue of the government.
- (iv) Explain the function of acceptance of deposits of commercial bank.
- (v) Explain any four features of National Income.

4. State with reasons whether you agree or disagree with the following statements (Any THREE) :

[12]

- (i) There are exceptions to the law of supply.
- (ii) The scope of Macro Economics is unlimited.
- (iii) Price Index number is the only type of Index number.
- (iv) Reserve Bank of India performs various functions.
- (v) Obligatory function is the only function of the government.

5. Study the following table, figure, passage and answer the questions given below it (Any TWO) :

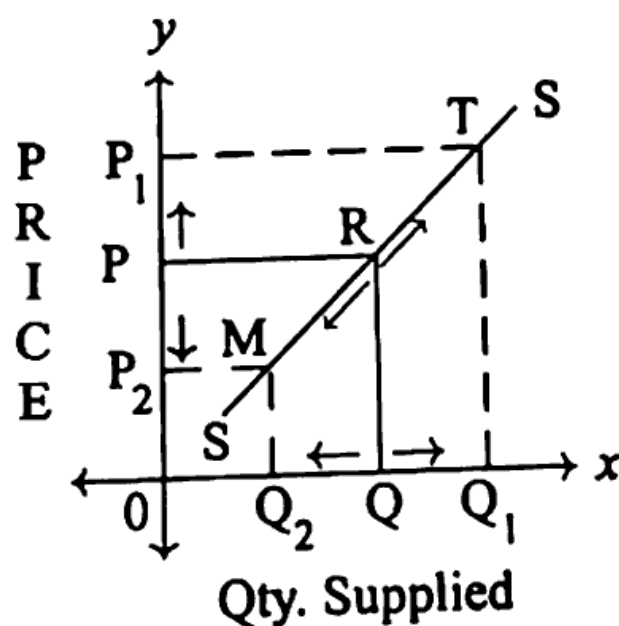
[8]

(i)

Units of x	Total Utility	Marginal Utility
1	10	10
2	18	8
3	24	6
4	28	4
5	30	2
6	30	0
7	28	-2

- (1) With the help of above schedule draw total utility and marginal utility curve. (2)
- (2) When total utility is maximum marginal utility is . (1)
- (3) When total utility falls marginal utility becomes . (1)

(ii)



- (1) The above diagram shows direct relationship between quantity supplied and .)
- (2) In above diagram, supply curve 'SS' has slope. (1)
- (3) Rise in price leads to upward movement of supply on the same supply curve from point 'R' to point 'T'. This movement is known as .
- (4) Fall in price leads to downward movement of supply on the same supply curve from point 'R' to point 'M'. This movement is known as .

(iii) India's economy is very diverse. This includes handicrafts, textile mills, industries, manufacturing and a variety of services. Two thirds of the people working in India still depend on agriculture or agro-based industries for their livelihood, but a wide range of services are also contributing to the economy, and more recently services based businesses are playing a very important role in the economy. In recent years, with the advancement of computer technology and information technology in India, as well as the growing number of highly educated and English speaking young people, India has gradually started playing the role of an outsourcing service to the whole world. India is the world's largest exporter of highly skilled technicians. At the same time, India's potential in manufacturing, pharmaceuticals, biotechnology, microtechnology, telecommunications, shipbuilding, aviation and tourism is growing rapidly.

Since the early 1990s, India has begun to open up its economy through economic reforms, gradually reducing its control over foreign investment and trade.

- (1) What is the prime source of livelihood for the majority of population in India? (1)
- (2) Which sector is developing very fast in India in the recent years? (1)
- (3) Give your opinion about India's economy with reference to the above passage. (2)

Q. 6. Answer the following questions in detail (Any TWO) : [16]

- (i) Explain the Law of Demand with its assumptions.**
- (ii) Explain the concept of price elasticity of demand and its types.**
- (iii) Explain Income and Expenditure method of measuring national income.**

