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Time : 1½ Hours

**SECOND-TERM****ECONOMICS**

Subject Code

H	4	6	5	2
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Total No. of Questions : 17 (Printed Pages : 4)

Maximum Marks : 40

- INSTRUCTIONS :**
- (i) All questions are compulsory.
  - (ii) Marks for each question are indicated against each to the right.
  - (iii) Question Nos. 1-5 are very short answer type questions carrying 1 mark each.
  - (iv) Question Nos. 6-10 are short answer type carrying 2 marks each. (Answers should be around 40 words).
  - (v) Question Nos. 11-15 are also short answer type carrying 3 marks each. (Answer should be around 60 words).
  - (vi) Question Nos. 16-17 are long answer type carrying 5 marks each. (Answer should be around 100 words).
  - (vii) Internal choice to be exercised in questions 15 and 17.
  - (viii) Word limit is not applicable to answers on differentiation, diagrams and those of numerical nature.
  - (ix) All diagrams should be drawn in black lead pencil only.
  - (x) Use of any calculating device is not allowed.

1. Give an economic term for the following statement : 1  
The expenditure incurred by the firms on purchase of inputs used in the production process.
2. When demand increases and supply decreases, then the equilibrium price will ..... 1
3. According to New Traffic Rules in Goa 2022, for driving a car without a valid driving licence. Mr. Sushil paid ₹ 10,000 to the government : 1  
Name the type of revenue for the government.
4. In the foreign exchange market, price of 1 US dollar increases from ₹ 60 to ₹ 65, this means that Rupee has ..... 1
5. Name the type of tax imposed at different stages of production of goods and services. 1
6. Draw a suitable diagram for the following situation of shifts in supply : 2
  - (a) A severe drought in the state of Karnataka has affected the supply of vegetables in Goa.
  - (b) Mr. Suresh is a farmer. He gets subsidy from the government to buy agricultural inputs like hybrid seeds, chemical fertilizers; enabling him to get bumper rice crop this year of 2000 kg per acre of land higher than last year's 1000 kg per acre of land.
7. Classify the following costs into fixed cost and variable cost : 2
  - (i) Insurance premium
  - (ii) Expenses on transportation
  - (iii) Part time staff salary
  - (iv) Licence fees.

8. Due to 10% rise in the price of a commodity, its quantity supplied rises from 400 units to 500 units. Calculate price elasticity of supply using percentage method. 2
9. Name the type of market structure for the following : 2
- (a) Mr. Raju is the only baker, produces bread in a village
- (b) Indian Airlines, Spicejet, Indigo, Vistara providing domestic civil aviation services in India.
10. Draw a neat labelled diagram to show the effect on equilibrium price in the following situations : 2
- (a) A smart watch manufacturing company adopts new sophisticated technology leading to large scale production. Demand for smart watches remains constant.
- (b) In India, during Covid-19 times, school education was totally on online mode, heavily dependent on the use of android mobile phones. Supply for android mobile phones being constant.
11. What is meant by the following terms 3
- (a) Transactionary motive
- (b) Precautionary motive
- (c) Speculative motive.
12. Define the following concepts : 3
- (a) Total Revenue
- (b) Constant Returns to Scale
- (c) Marginal Product.

13. Explain any *three* objectives of Government Budget. 3
14. Explain any *three* functions of foreign exchange market. 3
15. What is meant by the following : 3
- (a) Flexible exchange rate system
  - (b) Purchasing power parity
  - (c) Escheat.

**Or**

- (a) Fixed exchange rate system
  - (b) Crawling peg system
  - (c) Progressive Tax.
16. Explain any *five* functions of Money. 5
17. Explain any *five* features of perfect competition. 5

**Or**

Explain any *five* features of Monopolistic competition.