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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 : 20 (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. 1-6 are objective type questions carrying 1 mark each. (Select the correct answer from the alternatives given below for objective type questions).
 - (iv) Question Nos. 7-14 are short answer type carrying 2 marks each. Answers to them should normally not exceed 40 words each.
 - (v) Question Nos. 15-20 are also short answer type carrying 3 marks each. Answers to them should normally not exceed 60 words each.
 - (vi) Answers should be brief and to the point and the above word limits should be adhered to as far as possible.
 - (vii) Internal choice to be exercised in questions 14 and 20.
 - (viii) Use of calculators is not allowed.
 - (ix) All diagrams should be drawn in black lead pencil only.

1. What is a statement of the estimates of the Government receipts and expenditure during the period of the financial year called ? 1

- (a) Balance of payments
- (b) Government Budget
- (c) Balance of Trade
- (d) National Income Accounting

2. What is the term for the Foreign Exchange Rate set by the Government ?
- (a) Fixed exchange rate
 - (b) Flexible exchange rate
 - (c) Prime exchange rate
 - (d) Variable exchange rate
3. Which of the following is a positive externality ?
- (a) Factories emitting smoke
 - (b) Disposal of toxic waste into water bodies
 - (c) Free vaccination to limit disease
 - (d) Traffic congestion
4. What is the term used to describe a situation when Aggregate Supply is greater than Aggregate Demand ?
- (a) Excess demand
 - (b) Deficient supply
 - (c) Effective demand
 - (d) Deficient demand
5. What is the term for payment made towards the administrative services provided by the Government ?
- (a) Special assessment
 - (b) Fines
 - (c) Fees
 - (d) Donations

6. Which of the following is a revenue receipt of the Government. 1
- (a) Loans raised by the Government from the rest of the world
 - (b) Income tax paid to the Government
 - (c) Recovery of loans from the Government of Delhi from the Government of India
 - (d) Deposits by people in Public Provident Fund and National Savings Certificates
7. What do the following terms mean ? 2
- (a) Producer's Equilibrium
 - (b) Monopoly.
8. Draw a neat labelled diagram to show the change in Equilibrium price in the following situation : 2
- There has been an increase in the demand for construction workers in Goa due to an increase in the construction of roads and bridges, supply of labour remaining constant.
9. What do the following terms mean ? 2
- (a) Gross Domestic Product
 - (b) Personal Disposable Income.
10. What do the following terms mean ? 2
- (a) Fiscal policy
 - (b) Savings function.
11. Explain the following components of Aggregate Demand. 2
- (a) Private investment expenditure
 - (b) Net exports.

12. What do the following terms mean ? 2
(a) Surplus Budget
(b) Deficit Budget.
13. What do the following terms mean ? 2
(a) Appreciation of domestic currency
(b) Depreciation of domestic currency.
14. Explain with the help of a neat labelled diagram the money flow in the circular flow of national income. 2

Or

Explain the Value Added Method of measuring national income.

15. Explain *three* functions of the Foreign Exchange Market. 3
16. What do the following terms mean ? 3
(a) Compensation of Employees
(b) Operating Surplus
(c) Mixed Income.
17. Explain any *three* fiscal policy measures to correct excess demand. 3
18. Draw neat labelled diagrams to show the change in equilibrium price for each of the following situations : 3
(a) Supply is constant and demand decreases
(b) Demand is constant and supply increases
(c) Both demand and supply decrease in the same proportion.
19. Explain the *three* types of Budgetary Deficits. 3
20. Explain any *three* features of Perfect Competition. 3

Or

Explain any *three* features of Oligopoly.