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Time : 3 Hours**ECONOMICS****Subject Code**

H	4	6	5	2
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Total No. of Questions : 36**(Printed Pages : 11)****Maximum Marks : 80**

- INSTRUCTIONS :**
- (i) All questions in both sections are compulsory.
 - (ii) Marks for each question are indicated against each to the right.
 - (iii) Question Nos. **1-8** and **19-26** are objective type questions (Multiple Choice Questions) carrying **1** mark each. Select the correct answer from the alternative given below the statement.
 - (iv) Question Nos. **9-12** and **27-30** are short answer type carrying **2** marks each. Answer should be around **40** words each.
 - (v) Question Nos. **13-15** and **31-33** are also short answer type carrying **3** marks each. Answer should be around **60** words each.
 - (vi) Question Nos. **16-18** and **34-36** are long answer type carrying **5** marks each. Answer should be around **100** words each.
 - (vii) Internal choice to be exercised in question Nos. **15, 18, 33** and **36**.
 - (viii) Word limit is not applicable to answer 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.

Section A

1. In the given set of the consumption bundles (11, 12), (12, 12), (12, 13), (13, 13) of two goods, the monotonic preference of the consumer will be 1

- (11, 12)
- (12, 12)
- (12, 13)
- (13, 13)

2. There is an inverse relation between income of the consumer and demand for a commodity such good is called 1

- Normal Good
- Inferior good
- Substitute good
- Complementary good

3. When percentage change in quantity demanded of a commodity is more than percentage change in its price than price elasticity of demand is 1

- Unitary elastic demand
- Relatively inelastic demand
- Relatively elastic demand
- Perfectly elastic demand

4. The cost per unit of output produced by a firm is called 1
- Average cost
 - Marginal cost
 - Average variable cost
 - Average fixed cost
5. The change in total revenue earned by a firm on account of sale of an additional unit of output during a given period of time is called 1
- Marginal Revenue
 - Total Revenue
 - Average Revenue
 - Total Profit
6. When a proportionate increase in total output is more than a proportionate increase in inputs then this stage of production is called 1
- Constant returns to scale
 - Increasing returns to scale
 - Decreasing returns to scale
 - Negative returns

7. If an increase in quantity demanded is equal to an increase in quantity supplied than equilibrium price and equilibrium quantity will show

1

- Price increases quantity remains constant
- Quantity decreases and price remains constant
- Price decreases and quantity remains constant
- Quantity increases and price remains constant

8. A doctor having his medical clinic in a remote village charge different fees to different patient then it is a feature of

1

- Monopolistic competition
- Perfect competition
- Oligopoly
- Monopoly

9. A consumer spends his entire income of ₹ 60 on consumption of two goods : Good-X and Good-Y. The market price of Good-X is ₹ 10 per unit and Good Y is ₹ 20 per unit. Prepare the budget set of the consumer.

2

10. Explain the following central problems of an economy : 2
- (a) How to produce ?
- (b) For whom to produce ?
11. Explain any *two* determinants of demand. 2
12. Draw a suitable neat labelled diagram to show change in supply curve in the following situation : 2
- (a) Government has raised excise duties on the production of liquor.
- (b) A firm is able to get cheap raw material for its production activities.
13. When market price of the particular commodity rises from ₹ 50 per unit to ₹ 60 per unit and quantity demanded falls from 1000 units to 800 units calculate price elasticity of demand by using percentage method. 3
14. Explain determination of equilibrium price under perfect competition with the help of neat labelled diagram. 3

15. What is meant by the following terms : 3
- Macro economics
 - Total utility
 - Indifference curve.

Or

What is meant by the following terms ?

- Micro economics
 - Marginal utility
 - Indifference map
16. Explain the law of supply with the help of schedule and neat labelled diagram. 5
17. Explain expansion and contraction in demand with the help of neat labelled diagram. 5
18. Explain any *five* features of Perfect Competition. 5

Or

Explain any *five* features of oligopoly.

Section B

19. A tailor is engaged in his tailoring activity at his residence only, so his income earned will be termed as 1
- Mixed income
 - Compensation of employees
 - Operating surplus
 - Dividends
20. A candle factory has produced output worth of ₹ 50,000 with the purchase of inputs from the market worth ₹ 20,000 then value added by candle factory is 1
- ₹ 70,000
 - ₹ 30,000
 - ₹ 50,000
 - ₹ 20,000
21. In modern times educated youth in urban areas are unable to find a suitable employment even when they are ready to work at a prevailing wage rate is called 1
- Full employment
 - Voluntary unemployment
 - Involuntary unemployment
 - Under employment

22. The ratio of consumption expenditure to any given level of income is called 1

- Average propensity to consume
- Average propensity to save
- Marginal propensity to consume
- Marginal propensity to save

23. The situation when aggregate demand is more than aggregate supply corresponding to full employment in the economy is called 1

- Excess supply
- Excess demand
- Deficit demand
- Surplus supply

24. Miss Savita has deposited sum of ₹ 5 lakh with commercial bank for 5 years, which she cannot withdraw before stipulated time period is called 1

- Demand deposits
- Chequable deposits
- Saving deposits
- Non-chequable deposits

25. Mr. Vijay, an Indian has invested ₹ 5 lakh in the shares of multinational company in rest of the world then such transaction is referred as 1

- Foreign direct investment
- Portfolio investment
- Commercial borrowing
- Domestic investment

26. India has received financial help of ₹ 1000 crores from the rest of the world for flood victims in India then such transaction is referred as 1

- Imports of goods
- Imports of services
- Factor payments
- Unilateral transfers

27. State *four* components of aggregate demand. 2

28. Explain any *two* fiscal policy measures to correct the situation of excess demand. 2

29. Explain the following motives of demand for money : 2

- (a) Precautionary motive
- (b) Speculative motive.

30. State the type of instrument of monetary policy used by the central bank of a country in the following situation : 2
- (a) Central bank has fixed credit quotas to commercial bank for providing credit to small and micro enterprises in India.
 - (b) It is mandatory for the commercial bank to keep minimum percentage of their total deposits with the central bank.
31. What is meant by the following concepts : 3
- (a) Net Factor income from Abroad
 - (b) Gross domestic product at market price
 - (c) Personable disposable income.
32. What is meant by the following terms : 3
- (a) Capital Receipts of the Government budget
 - (b) Progressive Taxes
 - (c) Appreciation of Domestic Currency.
33. Explain consumption function with the help of neat labelled diagram. 3

Or

Explain saving function with the help of neat labelled diagram.

34. Explain with the help of neat labelled diagram circular flow of National income. 5
35. Explain the determination of exchange rate through demand for and supply of foreign exchange with the help of neat labelled diagram. 5
36. Explain any *five* functions of central bank. 5

Or

Explain any *five* functions of money.