
ECONOMICS

(Two Hours)

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

*You will **not** be allowed to write during the first **15** 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.

*Attempt **all** questions from **Section A** and **any four** questions from **Section B**.*

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

SECTION A (40 Marks)

*Attempt **all** questions from this Section*

Question 1

- (a) What are normal goods? Give two examples. [2]
- (b) State *any two* features of the Consumer Protection Act. [2]
- (c) A businessman stocks potatoes in the cold storage during the winter and releases that stock during summer. Will this be considered as production? Give a reason for your answer. [2]
- (d) Mention two ways by which a worker benefits from division of labour. [2]
- (e) Give two assumptions of the law of supply. [2]

Question 2

- (a) Briefly explain any two merits of direct taxes. [2]
- (b) Expand the term RTI. How does this help a citizen of India? [2]
- (c) Define price elasticity of demand. [2]
- (d) What is food adulteration? Mention any one harmful effect of food adulteration. [2]
- (e) What is degressive tax? [2]

This Paper consists of 4 printed pages.

Question 3

- (a) If a buyer buys less of a commodity when his income falls, how will his demand curve change? Illustrate your answer with a diagram [2]
- (b) State two factors which affect productivity of land. [2]
- (c) Give two differences between recurring deposits and fixed deposits. [2]
- (d) What is overdraft facility? [2]
- (e) State *any two* reasons for the growth of public expenditure in a country like India in recent times. [2]

Question 4

- (a) Draw a well labelled diagram showing the price elasticity of supply of a commodity starting from the origin. [2]
- (b) What is land in Economics? [2]
- (c) Define supply. [2]
- (d) Indirect taxes are regressive in nature. How can they be made progressive? [2]
- (e) The income earned by an entrepreneur is residual in nature. Explain. [2]

SECTION B (40 Marks)

Attempt any four questions from this Section

Question 5

- (a) (i) State the law of demand. [5]
- (ii) Briefly explain any two reasons for its occurrence.
- (b) Define inflation. Explain its impact on the producers and salaried class. [5]

Question 6

- (a) (i) Define Public debt. [5]
- (ii) What are Redeemable debts?
- (iii) Mention two examples of unproductive debt.
- (b) Briefly explain the following with reference to the barter system of exchange: [5]
- (i) Lack of common measure of value.
- (ii) Lack of standard of deferred payments.

Question 7

- (a) Explain the following functions of the Central Bank: [5]
- (i) Fiscal agent of the government.
- (ii) Advisor to the government.
- (b) Explain *any five* characteristics of land. [5]

Question 8

- (a) Discuss the risk bearing and decision-making functions of an entrepreneur. [5]
- (b) What is Cost Push inflation? Briefly explain three causes of cost push inflation. [5]

Question 9

- (a) (i) Define Tax. [5]
- (ii) Give three differences between direct taxes and indirect taxes.
- (b) (i) Define capital formation. [5]
- (ii) Briefly discuss the process of capital formation.

Question 10

- (a) Define and draw the following: [5]
- (i) Relatively elastic supply.
 - (ii) Relatively inelastic demand.
- (b) Briefly discuss *any two* quantitative measures adopted by the Reserve Bank of India to control credit. [5]