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Time : 2½ Hours

ECONOMICS

Subject Code

H	6	5	2
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Total No. Of Questions : 32 (Printed Pages : 10) 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. **1-5** and **17-21** are objective type questions carrying **1** mark each.
 - (iv) Question Nos. **6-9** and **22-25** are short answer type questions carrying **2** marks each. Answers to them should normally not exceed **40** words each.
 - (v) Question Nos. **10-13** and **26-29** are also short answer type questions carrying **3** marks each. Answers to them should normally not exceed **60** words each.
 - (vi) Question Nos. **14-16** and **30-32** are long answer type questions carrying **5** marks each. Answers to them should normally not exceed **100** words each.
 - (vii) Answers should be brief and to the point and the above word limits should be adhered to as far as possible.
 - (viii) Internal choice to be exercised in Question Nos. **13, 16, 29** and **32**.
 - (ix) All diagrams should be drawn in **Black** lead pencil only.
 - (x) Use of calculators is not allowed.

Section A

1. A diagrammatic presentation showing the different combinations of two commodities between which a consumer is indifferent to 1
 - Indifference set
 - Indifference map
 - Indifference curve
 - Indifference schedule

2. If the price of mobile phones decreases, the demand for simcards will 1
 - Increase
 - Remain constant
 - Decrease
 - Contract

3. A table showing different quantities of a commodity that all the buyers in the market are ready to buy at different prices 1
 - Individual demand curve
 - Market demand schedule
 - Individual demand schedule
 - Market demand curve

4. In the State of Punjab, a crop disease has reduced the yield of wheat. The supply of wheat will 1
- Remain constant
 - Expand
 - Increase
 - Decrease
5. The functional relationship between physical inputs and physical output of a commodity is known as the 1
- Income function
 - Production function
 - Consumption function
 - Expenditure function
6. A consumer can buy 10 units of good-1 and 20 units of good-2, if she spends her entire income. If the prices of the two goods are ₹ 10 per unit and ₹ 20 per unit, calculate the income of the consumer. 2
7. Calculate the price elasticity of demand, when quantity demanded increases from 100 units to 150 units due to a 5% fall in price of the commodity. 2

8. If the total revenue of a firm is ₹ 5,000 when 5 units of a good are sold and ₹ 5,800 when the 6th unit of the good is sold, then compute the marginal revenue of the last unit. 2
9. Draw a neat labelled diagram showing the effect on equilibrium price in the following situation :

Increase in the demand for bus drivers due to the growing demand for bus transportation in Goa. 2
10. What is meant by the following : 3
- (i) Normal goods
 - (ii) Inferior goods
 - (iii) Substitute goods
11. What is meant by the following : 3
- (i) Cartel
 - (ii) Equilibrium price
 - (iii) Monopoly
12. Explain *three* determinants of supply. 3

13. What is meant by the following : 3

(i) Total cost

(ii) Average cost

(iii) Marginal cost

Or

(i) Extension of supply

(ii) Unit elastic supply

(iii) Relatively elastic supply.

14. Explain the law of diminishing marginal utility with the help of a schedule and a neat labelled diagram. 5

15. Explain the law of demand with the help of a schedule and a neat labelled diagram. 5

16. Explain *five* features of perfect competition. 5

Or

Explain *five* features of monopolistic competition.

Section B

17. Unilateral payments for which no productive services are rendered like scholarship, old age pension etc. are called 1
- Factor payments
 - Transfer payments
 - Operating surplus
 - Capital transfer
18. The ratio of change in saving to change in income called 1
- Average propensity to consume
 - Average propensity to save
 - Marginal propensity to consume
 - Marginal propensity to save
19. The sum total of expenditure on the domestically produced goods and services during the period of an accounting year is called 1
- Aggregate demand
 - Consumption function
 - Aggregate supply
 - Demand function

20. Deposits which arise on account of loans by the banks to the people are 1

- Primary deposits
- Demand deposits
- Fixed deposits
- Secondary deposits

21. When the exchange rate changes from \$ 1 = ₹ 60 to \$ 1 = ₹ 70, India's exports to USA will 1

- Decrease
- Remain constant
- Increase
- Diminish

22. State whether the following items are 'to be included' or 'not included' in the measurement of National Income. 2

- (i) Mr. Ramesh purchased a new house for ₹ 15 lakh
- (ii) On account of the sale and purchase of a second hand car Mr. Narayan earned a commission of ₹ 20,000

- (iii) Mr. Soham earned ₹ 10,000 by way of gambling
- (iv) Reshma received ₹ 1 lakh as assistance by Goa government under Ladli Laxmi Scheme.
23. In an economy the marginal propensity to consume is 0.75. Find out the value of the Multiplier. 2
24. What is meant by the following : 2
- (i) Balanced budget
- (ii) Primary deficit.
25. A panchayat wants to spend ₹ 50,000 in the year 2019-20. Prepare a budget for the panchayat, if the panchayat wants to spend 10% expenditure on educational facilities, 30% expenditure on salary, 40% expenditure on maintenance and 20% expenditure on health measures. 2
26. What is meant by the following : 3
- (i) Involuntary unemployment
- (ii) Fiscal policy
- (iii) The savings function

27. What is meant by the following : 3
- (i) Bank rate
 - (ii) Open market operations
 - (iii) Margin requirement.
28. State the motives of holding money in the following situations : 3
- (i) Rohan is a trader, who has a liquidity preference so that he can invest his money in bonds, when the interest on bonds is high and the price of bonds are low.
 - (ii) Vimal's mother keeps aside ₹ 10,000 in cash to meet the unforeseen circumstances.
 - (iii) Rahul's father keep aside ₹ 20,000 for day to day expenditure of his family.
29. Explain *three* functions of the Central Bank of India. 3

Or

Explain *three* functions of money.

30. Explain the circular flow of National Income with the help of a neat labelled diagram. 5

31. Explain the situation of excess demand with the help of a neat labelled diagram. 5
32. Explain *five* types of non-tax receipts. 5

Or

Explain the components of the Balance of Payments Accounts.