



2018 III 12

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Seat No. :

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Time : 2½ Hours

ECONOMICS (New Pattern)

Subject Code

H	6	5	2
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Total No. of Questions : 32

(Printed Pages : 7)

Maximum Marks : 80

- INSTRUCTIONS:**
- All questions in both Sections are compulsory.**
  - Marks for **each** question are indicated against **each** to the right.
  - Question Nos. **1 – 5** and **17 – 21** are objective type questions carrying **1 mark each**.
  - Question Nos. **6 – 9** and **22 – 25** are short answer type carrying **2 marks each**. Answers to them should normally **not exceed 40 words each**.
  - Question Nos. **10 – 13** and **26 – 29** are also short answer type carrying **3 marks**. Answers to them should normally **not exceed 60 words each**.
  - Question Nos. **14 – 16** and **30 – 32** are long answer type carrying **5 marks each**. Answers to them should normally **not exceed 100 words each**.
  - Answers should be brief and to the point and the above word limits should be adhered to as far as possible.
  - Internal choice to be exercised in questions **13, 16, 29** and **32**.
  - Use of Non Scientific Calculators may be **allowed**.
  - All diagrams should be drawn in black lead pencil only.**

SECTION – A

1. What is the elasticity of the demand curve which is parallel to the 'x' axis ? [1]
- Relatively elastic
  - Perfectly elastic
  - Relatively inelastic
  - Perfectly inelastic



2. What is the functional relationship between physical input and physical output of a commodity known as ? [1]
- Physical function
  - Consumption function
  - Input function
  - Production function
3. Sapna answers an interview in a school for two jobs, a teacher (salary – ₹ 20,000) and a clerk (salary – ₹ 15,000). If she chooses the job of a teacher. What will be her opportunity cost ? [1]
- ₹ 20,000
  - ₹ 10,000
  - ₹ 15,000
  - ₹ 5,000
4. In India Tata Sky and Dish TV are examples of [1]
- Complementary goods
  - Substitute goods
  - Inferior goods
  - Giffen goods
5. What is the relationship between the price of a commodity and the supply of that commodity ? [1]
- Positive
  - Inverse
  - Indirect
  - Negative
6. Explain increase in supply with the help of a neat labelled diagram. [2]
7. Sohan's income is ₹ 100. The price of a Samosa is ₹ 10 and the price of a packet of biscuits is ₹ 30. Make a list of four combinations of Samosas and biscuit packets which he can buy spending his entire income on both these goods. [2]



8. Draw two neat labelled diagrams to show the type of elasticity of demand for the following products : [2]

- a) A gas cylinder, which, is a necessity to households.
- b) A potato chips brand, which has many substitutes in the market.

9. From the schedule given below, answer the following questions : [2]

- a) Why is ₹ 5 not the equilibrium price ?
- b) Why is ₹ 3 the equilibrium price ?

Price (₹)	Quantity demanded (units)	Quantity supplied (units)
1	50	10
2	40	20
3	30	30
4	20	40
5	10	50

10. Calculate elasticity of demand using percentage method with the help of the following data : [3]

Price (₹)	Quantity demanded (units)
10	250
12	200

11. Complete the following table and rewrite the same. [3]

Price (₹)	Quantity supplied in units			Market Supply
	Firm 'A'	Firm 'B'	Firm 'C'	
1	25	–	50	100
2	80	20	–	250
3	–	60	70	350
4	90	100	145	–
5	–	100	400	600
6	200	250	–	1000



12. Draw neat labelled diagrams to show the change in equilibrium price due to the following : [3]
- a) Demand increases, supply remains constant
  - b) Supply decreases, demand remains constant
  - c) Demand decreases, supply remains constant.

13. What is meant by the following ? [3]
- a) Total Product
  - b) Average Product
  - c) Marginal Product.

OR

What is meant by the following ?

- a) Total Revenue
  - b) Average Revenue
  - c) Marginal Revenue.
14. Explain the Law of Diminishing Marginal Utility with the help of a schedule and a neat labelled diagram. [5]
15. Explain any five determinants of demand. [5]
16. Explain any five features of perfect competition. [5]

OR

Explain any five features of monopoly.

### SECTION – B

17. Which of the following items is included in the calculation of National Income using the income method ? [1]
- Donations
  - Old age pensions
  - Commission earned by brokers
  - Scholarships



18. If the multiplier is 2 and the change in income is ₹ 40 crores. What is the change in investment ? [1]
- ₹ 10 crores
  - ₹ 20 crores
  - ₹ 30 crores
  - ₹ 40 crores
19. What is the minimum percentage of a bank's total deposits required to be kept with the Reserve Bank of India ? [1]
- Bank Rate
  - Open Market Operations
  - Statutory Liquidity Ratio
  - Cash Reserve Ratio
20. Which of the following deposits is a non-chequeable deposit ? [1]
- Time deposit
  - Savings deposit
  - Recurring deposit
  - Current deposit
21. Which system of exchange rate allows very small adjustments of less than 1% to be made between any two currencies ? [1]
- Wider band
  - Crawling peg
  - Dirty floating
  - Managed floating



22. Calculate the value added by each producer on the basis of the following data : [2]

<b>Producer</b>	<b>Intermediate consumption (₹)</b>	<b>Value of Output (₹)</b>
Cotton farmer	0	5,000
Textile firm	5,000	8,000
Garment firm	8,000	10,000
Showroom	10,000	15,000

23. Explain the following types of public expenditure in India [2]

- a) Development Expenditure.
- b) Non-plan Expenditure.

24. Classify the following expenditures of the Central Government into Revenue Expenditure and Capital Expenditure : [2]

- a) Purchase of naval vessels
- b) Loans given to Nepal
- c) Flood relief aid
- d) Construction of a nuclear power plant

25. When the US dollar appreciates from ₹ 60 to ₹ 65 what will be the impact on the following ? [2]

- a) India's exports to the rest of the world.
- b) India's imports from rest of the world.

26. What is meant by the following ? [3]

- a) Private consumption expenditure
- b) Marginal propensity to save
- c) Aggregate supply.

27. Explain the consumption function with the help of a schedule and a neat labelled diagram. [3]



28. Give three reasons why the State Bank of India is not the Central Bank of the country. [3]

29. What do the following terms mean ? [3]

- a) Revenue Deficit
- b) Fiscal Deficit
- c) Primary Deficit.

OR

What do the following terms mean ?

- a) Balanced Budget
- b) Surplus Budget
- c) Deficit Budget.

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

31. Explain any five functions of money. [5]

32. Explain the situation of excess demand with the help of a neat labelled diagram. [5]

OR

Explain the situation of deficient demand with the help of a neat labelled diagram.

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