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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**

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- 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.