
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) With the help of an example explain the term inferior goods. [2]
- (b) Explain the meaning of a monopoly market. [2]
- (c) Define money. [2]
- (d) What does productivity of land mean? [2]
- (e) Give two points of difference between revenue and capital expenditure. [2]

Question 2

- (a) In order to secure their rights what duties should be fulfilled by consumers? [2]
- (b) What is the meaning of 'food basket' in terms of inflation? [2]
- (c) Give a graphical representation of relatively elastic demand. [2]
- (d) Explain any two causes of cost push inflation. [2]
- (e) What is meant by overdraft facility offered by a commercial bank? [2]

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Specimen Paper 2020 onwards

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Question 3

- (a) With the help of an example explain the measure of value function of money. [2]
- (b) Define bank rate. [2]
- (c) What are recurring deposits? [2]
- (d) Give one point of difference between cash reserve ratio and statutory liquidity ratio. [2]
- (e) What is meant by derivative deposits? [2]

Question 4

- (a) How is labor different from other factors of production? [2]
- (b) Capital is a produced means of production. Explain. [2]
- (c) Draw a supply schedule using hypothetical data. [2]
- (d) Why is direct tax unpopular among tax payers? [2]
- (e) Why is the Central Bank considered as 'custodian of foreign reserves'? [2]

SECTION B (40 Marks)

Attempt any four questions from this Section

Question 5

- (a) Give five reasons to explain low efficiency of labour in India. [5]
- (b) (i) What do you mean by an entrepreneur? [5]
- (ii) Explain any three ways by which an entrepreneur contributes to the economic development of a country.

Question 6

- (a) Draw and explain the difference between contraction and extension in demand. [5]
- (b) Explain any five ways by which consumers are exploited by the retailers. [5]

Question 7

- (a) (i) What is meant by GST? [5]
- (ii) Give any four objectives of GST.
- (b) Differentiate between monopoly and monopolistic competition. [5]

Question 8

- (a) (i) What do you understand by hyper inflation? [5]
- (ii) Give any three effects of inflation on production.
- (b) With the help of a schedule and graph explain the law of demand. [5]

Question 9

- (a) Explain any five factors affecting supply of a commodity. [5]
- (b) State and explain any three merits and two demerits of indirect taxes. [5]

Question 10

- (a) (i) Explain the term COPRA and RTI. [5]
- (ii) Give three features of COPRA.
- (b) How is the Central Bank a 'banker to the government'? [5]