***General Instructions to Candidates :***
- There is a 'cool-off time' of 15 minutes in addition to the writing time of 2½ hrs.
- You are not allowed to write your answers nor to discuss anything with others during the 'cool-off time'.
- Use the 'cool-off time' to get familiar with questions and to plan your answers.
- Read questions carefully before answering.
- All questions are compulsory and only internal choice is allowed.
- When you select a question, all the sub-questions must be answered from the same question itself.
- Calculations, figures and graphs should be shown in the answer sheet itself.
- Malayalam version of the questions is also provided.
- Give equations wherever necessary.
- Electronic devices except non-programmable calculators are not allowed in the Examination Hall.

## നിർദ്ദേശങ്ങൾ :

- നിർദ്ദിഷ്ട സമയത്തിന് പുറമെ 15 മിനിറ്റ് 'കൂൾ ഓഫ് ടൈം' ഉണ്ടായിരിക്കും. ഈ സമയത്ത് ചോദ്യങ്ങൾക്ക് ഉത്തരം എഴുതാനോ, മറ്റുള്ളവരുമായി ആശയ വിനിമയം നടത്താനോ പാടില്ല.

- ഉത്തരങ്ങൾ എഴുതുന്നതിന് മുമ്പ് ചോദ്യങ്ങൾ ശ്രദ്ധാപൂർവ്വം വായിക്കണം.

- എല്ലാ ചോദ്യങ്ങൾക്കും ഉത്തരം എഴുതണം.

- ഒരു ചോദ്യനമ്പർ ഉത്തരമെഴുതാൻ തെരഞ്ഞെടുത്തു കഴിഞ്ഞാൽ ഉപചോദ്യങ്ങളും അതേ ചോദ്യ നമ്പരിൽ നിന്ന് തന്നെ തെരഞ്ഞെടുക്കേണ്ടതാണ്.

- കണക്ക് കൂട്ടലുകൾ, ചിത്രങ്ങൾ, ഗ്രാഫുകൾ, എന്നിവ ഉത്തരപേപ്പറിൽ തന്നെ ഉണ്ടായിരിക്കണം.

- ചോദ്യങ്ങൾ മലയാളത്തിലും നല്ലിയിട്ടുണ്ട്.

- ആവശ്യമുള്ള സ്ഥലത്ത് സമവാക്യങ്ങൾ കൊടുക്കണം.

- പ്രോഗ്രാമുകൾ ചെയ്യാനാകാത്ത കാൽക്കുലേറ്ററുകൾ ഒഴികെയുള്ള ഒരു ഇലക്ട്രോണിക് ഉപകരണവും പരീക്ഷാഹാളിൽ ഉപയോഗിക്കുവാൻ പാടില്ല.

1. Which of the following is not come under the features of a capitalist economy ?
    (a) Private ownership of means of production.
    (b) Goods are sold at a price.
    (c) Public utility services are provided by private individuals.
    (d) Price of labour services are called wage rate.                     (Score : 1)

2. If all the people of the economy increase the proportion of income they save, total value of savings in the economy will not increase. Identify the concept.     (Score : 1)

3. Categorise the following into consumer goods and capital goods :
    Books, Coal, Chocolate, Machines, Clothes, Buildings             (Scores : 2)

4. Match the following :

| A | B |
|---|---|
| (a) Keynes | Pollution |
| (b) Externalities | Exchange Rate |
| (c) Public goods | The General Theory |
| (d) Purchasing Power Parity | Non-excludable |

(Scores : 4)

5. The following table shows production possibilities of a country between two goods :

| Production Possibilities | Good 1 | Good 2 |
|---|---|---|
| A | 10 | 0 |
| B | 9 | 1 |
| C | 7 | 2 |
| D | 4 | 3 |
| E | 0 | 4 |

    (a) Show the production possibilities in a diagram and draw production possibility curve.
    (b) Mark a point of underutilisation of resources.               (Scores : 3)

6. Categorise the following into Micro and Macro Economics :

    (a) Demonetisation of high value currencies in India

    (b) Shopping in a Super-market

    (c) Introduction of Goods and Service Tax

    (d) Advertising of a Company

    (Scores : 2)

7. Distinguish between trade surplus and trade deficit.

    (Scores : 2)

8. Central bank of a country controls money supply in an economy through its monetary policy. Discuss the instruments of monetary policy to stabilise the economy.    (Scores : 8)

HSS LIVE

9. Draw a chart showing components of a government budget.

    Hint : Revenue Budget, Capital Budget

    (Scores : 4)

10. The demand curve of a firm under perfect competition is _____.    (Score : 1)

11. Check whether the following statements are correct :

    (a) The slope of Indifference Curve shows MRS between two inputs.

    (b) Higher Indifference Curve shows higher level of satisfaction.

    (c) Indifference Curves are concave to the origin.

    (Scores : 3)

12. Discuss the cost concepts TC, TFC and TVC. Show it in a diagram.

(Scores : 4)

13. Assume that income of a household increases from ₹ 20,000 to ₹ 25,000 and level of consumption has increased from ₹ 8,000 to ₹ 9,000. Estimate the value of APC and MPC.

(Scores : 3)

14. Discuss the law of variable proportions with suitable diagram.

(Scores : 8)

15. In the following diagram both demand and supply curves shifts rightwards. Discuss its impact on equilibrium price and quantity.
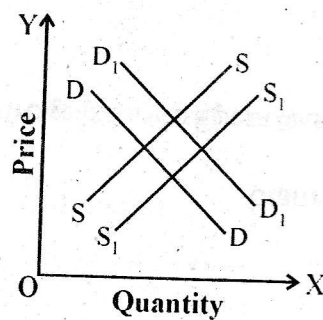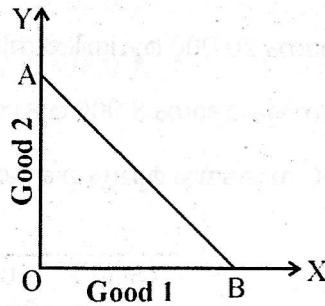


(Scores : 3)

16. In the year 2010, the value of total output produced is 200 units and price per unit is ₹ 20. In 2011, production has increased to 230 units and price ₹ 25 per unit. From the data, calculate GDP deflator and interpret the result.

(Scores : 4)

17. Give examples for normal good, inferior good, substitutes and compliments. (Scores : 4)

18. In the following diagram AB shows Budget line of a consumer. If income of the consumer increases without change in prices of goods, Budget line shifts. Show the shift in Budget line.



(Score : 1)

19. Distinguish between the concepts of money supply. Hint : $M_1$ $M_2$ $M_3$ $M_4$     (Scores : 4)

20. Market demand curves of two consumers A & B are given as A = 10 – P and B = 15 – P. Estimate market demand when price is ₹ 10.     (Scores : 3)

21. Each of the following statements shows a particular market situation. Name the market situation.

HSSLIVE

   (a) The market of soap producing units.

   (b) The market in which one seller exists.

   (c) The market where firms are price takers.

   (d) A few firms exist in which output decisions of any one firm affects the other firms.     (Scores : 4)

22. Final goods market equilibrium is denoted by $Y = \bar{A} + cY$. Give clarifications for the notations.     (Scores : 2)

23. Distinguish between capitalist and mixed economic system. **(Scores : 2)**

24. The flexible exchange rate is determined by the forces of market demand and supply. Illustrate the working of flexible exchange rate system diagrammatically. **(Scores : 4)**

25. Imagine that market price of a good increased from ₹ 5 to ₹ 20. As a result, quantity supplied by a firm increase from 10 to 15 units. Find the elasticity of supply. **(Scores : 3)**

_____

HSSLIVE