

ICSE Board
Class X Economics Applications
Board Paper – 2013

Time: 2 hrs

Total Marks: 100

General Instructions:

1. Answers to this paper must be written on the paper provided separately.
 2. You will **not** be allowed to write during the first **15** minutes.
This time is to be spent in reading the question paper.
 3. The time given at the head of the paper is the time allotted for writing the answers.
 4. Attempt **all** questions from **Part I** and **any four** questions from **Part II**.
 5. The intended marks of questions or parts of questions are given in brackets [].
-

PART I (40 Marks)

*Attempt **all** questions from this part.*

Question 1

[10]

- a) With the help of a diagram show how a market demand curve can be obtained from individual demand curves.
- b) Which section of society is worst affected during inflation? Briefly explain.
- c) Mention one way by which Government policy can ensure social justice.
- d) There are no substitute goods in a monopoly market. Give a reason to support your answer.
- e) Briefly explain the impact of constructing dams on the ecosystem.

Question 2

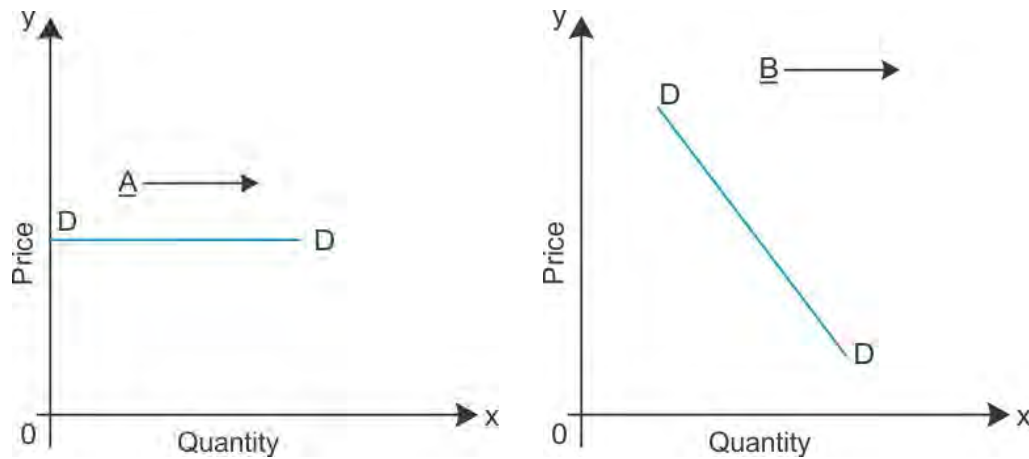
[10]

- a) Briefly explain why labour is considered to be the means and end of production.
- b) Distinguish between joint demand and composite demand.
- c) State two reasons for slow capital formation in a developing economy.
- d) State one difference between monopsony and monopolistic competition.
- e) Classify the following capital goods:
(i) Machines (ii) Cotton yarn (iii) Oil mill (iv) Bridge

Question 3

[10]

- a) Indicate the degree of elasticity of demand of the following demand curves.



- b) What is meant by land use pattern?
c) What are indirect taxes? Give an example.
d) Define money. How does it act as a 'measure of value'?
e) What is meant by an overdraft facility?

Question 4

[10]

- a) The price of milk rises from Rs. 26.00 to Rs. 30.00 per litre and its demand falls from four litres per day to two litres per day. Calculate the elasticity of demand for milk.
b) Differentiate between an entrepreneur and labour on the basis of:
(i) Nature of work (ii) Nature of risk involved
c) Distinguish between the fiscal and monetary policy of the Government.
d) What are public sector units? Mention one problem faced by Public sector units in India.
e) What is meant by bank rate? How does it help in controlling the flow of credit in the economy?

PART II (60 Marks)

Attempt **any four** questions from this part

Question 5

- a) Define capital and explain three important functions of capital. [7]
- b) "Land is the original source of all material wealth". In this context, explain four determinants that influence the productivity of land. [8]

Question 6

- a) Explain the following functions of the Central Bank of a country. [8]
- Acting as a "banker to the Government".
 - Fixation of margin requirement on secured loans.
 - Developmental functions.
- b) What is meant by ecosystem? Explain three adverse effects of mining on the ecosystem. [7]

Question 7

- a) Efficient labour force is an important economic ingredient. In this context, define efficiency of labour. [8]
- Explain three factors that determine the efficiency of labour. [8]
- b) Define a Commercial Bank. Explain three methods adopted by Commercial Banks to mobilise funds from the public. [7]

Question 8

- a) Define privatisation. Discuss two arguments each in favour and against privatisation. [8]
- b) Read the following extract and answer the questions that follow: [7]

Economic Times, September 4th 2012

Terming payment of taxes as a "mark of civilisation". Finance Minister P. Chidambaram has assured that authorities will not "rashly" implement controversial retrospective tax rules while once again promising a non-adversarial tax regime for all taxpayers. It is the second time in less than a week that Chidambaram has given assurance of a stable and fair tax regime, after the tax department attracted criticism for ushering in what some have called a "raid raj" and for introducing a series of measures industry and investors have slammed as retrograde.

- Define direct tax, Give two examples.
- State how a direct tax can foster social consciousness.
- What is meant by a progressive direct tax? How does its imposition bring about equity?
- State two demerits of direct tax.

Question 9

- a) Define price elasticity of demand. Explain how the following determine factors determine price elasticity of demand. [7]
- i. Existence of substitute goods
 - ii. Nature of the commodity
 - iii. Proportion of expenditure incurred in a household budget.
- b) State whether the following statements are true or false. Give reasons for each. [8]
- i. If prices are expected to fall in the future current demand rises.
 - ii. Slow growth rate in Indian agriculture has increased mobility of labour from rural to urban areas.
 - iii. In a developing country like India public expenditure should not incurred on infrastructural development.
 - iv. An indirect tax can be made progressive by imposing higher tax rates on luxury goods.

Question 10

- a) Under which type of a market are producers price takers? Explain three of its characteristics. [7]
- b) With the help of a diagram state whether supply of a good is directly or inversely related to its price. Explain any four determinants of supply. [8]