

**BOARD QUESTION PAPER : OCTOBER 2014****Time: 3 Hours****Max. Marks: 80****Note:**

- (1) All questions are compulsory.
- (2) Draw tables / diagrams wherever necessary.
- (3) Figures to the right indicate full marks.
- (4) Write answer of every new question on a new page.

Q.1. (A) Fill in the blanks with appropriate alternatives given in the brackets: (5)[16]

- (1) Micro economics is a study of _____.
(whole economy / individual economic unit / general price level / national output)
- (2) The slope of demand curve is _____ in the case of relatively inelastic demand.
(flatter / steeper / horizontal / vertical)
- (3) The book "The General Theory of Employment, Interest and Money" was written by _____.
(Marshall / Keynes / Smith / Ricardo)
- (4) Every loan creates a _____.
(loss / profit / deposit / credit)
- (5) _____ is an example of direct tax. (Excise duty / Income tax / Sales tax / Gifts)

(B) Match the correct pairs: (5)

	Group "A"		Group "B"
i.	Inferior goods	a.	Average cost (AC)
ii.	Reward of capital	b.	1 st April to 31 st March
iii.	Financial year	c.	Quantitative measure of credit control
iv.	Bank Rate	d.	Marginal cost
v.	$\frac{\text{Total cost (TC)}}{\text{Total quantity (TQ)}}$	e.	1 st January to 31 st December
		f.	Profit
		g.	Interest
		h.	Giffen goods

(C) State whether the following statements are True or False : (6)

- (1) Demand for electricity is elastic.
- (2) Supply is directly related to price.
- (3) In monopolistic competition, goods have no close substitutes.
- (4) Barter system did not have any difficulty.
- (5) D-mat account is useful to investors who deal in shares.
- (6) Clearing house system economises the use of cash.

Q.2. (A) Define or explain the following concepts (Any THREE) : (6)[12]

- (1) Micro-economics
- (2) Average revenue
- (3) Monopoly
- (4) Land
- (5) Macro-economic variables
- (6) Central bank



	<p>(B) Give reasons or explain the following statements (Any THREE): (6)</p> <ol style="list-style-type: none">(1) Microeconomics is useful to the government.(2) Utility is a relative concept.(3) Demand for habitually used goods is inelastic.(4) Services of housewives are excluded from national income.(5) Autonomous investment is not directly linked with profit.(6) Central bank has the sole power of issuing currency notes.
Q.3.	<p>(A) Distinguish between (Any THREE) : (6)[12]</p> <ol style="list-style-type: none">(1) Direct demand and Indirect demand.(2) Percentage method and Geometric method of measuring elasticity of supply.(3) Microeconomics and Macroeconomics.(4) Gross national product and Net national product.(5) Standard coins and Token coins.(6) Revenue budget and Capital budget. <p>(B) Write short notes (Any TWO) : (6)</p> <ol style="list-style-type: none">(1) Historical review of microeconomics.(2) Proportional method of measuring price elasticity of demand.(3) Price determination under perfect competition.(4) Risk and uncertainty bearing functions of an entrepreneur.
Q.4.	<p>Write short answers for the following questions (Any THREE): [12]</p> <ol style="list-style-type: none">(1) Explain the importance of the 'law of diminishing marginal utility'.(2) Explain the features of perfect competition.(3) Explain the features of macroeconomics.(4) Explain the determinants of aggregate supply.(5) Explain the various types of deposits.(6) Explain the types of government budget.
Q.5.	<p>Explain with reasons, whether you agree or disagree with the following statements (Any THREE) : [12]</p> <ol style="list-style-type: none">(1) There are no relationship between marginal utility and total utility.(2) There are no exceptions to the 'law of demand'.(3) There is difference between stock and supply.(4) Good money has many qualities.(5) Commercial banks provide many general utility services.(6) Central bank does not work as a banker for the government.
Q.6.	<p>Write explanatory answers (Any TWO) : [16]</p> <ol style="list-style-type: none">(1) State and explain the 'law of demand' with assumptions.(2) What is elasticity of demand? Explain the types of price elasticity of demand.(3) Explain any 'two' methods of measuring national income.(4) Explain Keynesian 'Psychological law of consumption'.