

**BOARD QUESTION PAPER : MARCH 2015****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 below the questions: (5)[16]**

- (1) The terms 'micro' and 'macro' economics were first used by \_\_\_\_\_.  
(Marshall / Ragnar Frisch / Robbins / Adam Smith)
- (2) The objective of a seller in monopoly market is \_\_\_\_\_ maximization.  
(loss / profit / negative profit / zero profit)
- (3) Marginal propensity to consume + marginal propensity to save \_\_\_\_\_.  
(zero / one / less / more)
- (4) Method of withdrawing money without going to the bank is by \_\_\_\_\_.  
(cheque / demand draft / ATM / mail transfer)
- (5) The term 'budget' is derived from the \_\_\_\_\_ word 'bougette'.  
(Greek / German / French / Latin)

**(B) Match the correct pairs:**

	Group "A"		Group "B"
i.	Pen and ink	a.	Quantity-price
ii.	Revenue	b.	Accident
iii.	Insurable risk	c.	Transfer income
iv.	Unemployment allowance	d.	Short period
v.	Reverse repo rate	e.	Long period
		f.	Change in demand
		g.	Joint demand
		h.	Quantity x price

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

- (1) Demand for perishable goods is inelastic.
- (2) Total cost is the total expenditure incurred by a firm.
- (3) The seller is a price marker in the perfect competition.
- (4) Cheque is an optional money.
- (5) A bank is an institution which deals in money and credit.
- (6) The RBI was nationalised in the year 1935.

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

- (1) Resource allocation
- (2) Elasticity of supply
- (3) Market
- (4) Labour
- (5) Macro economics
- (6) Central bank



	<p><b>(B) Give reasons or explain the following (Any THREE):</b> (6)</p> <ol style="list-style-type: none"><li>(1) Micro economics studies individual economic unit.</li><li>(2) Change in the price of substitute goods affects the demand for another goods.</li><li>(3) In order to avoid double counting, value added approach is used.</li><li>(4) Effective demand is also called macro economic equilibrium.</li><li>(5) The Central bank may take direct action against the defaulting commercial banks.</li><li>(6) Unpaid services are not included in national income.</li></ol>
<b>Q.3.</b>	<p><b>(A) Distinguish between (Any THREE):</b> (6)[12]</p> <ol style="list-style-type: none"><li>(1) Place utility and Time utility.</li><li>(2) Demand curve and Supply curve.</li><li>(3) Individual supply and Market supply.</li><li>(4) Slicing method and Lumping method.</li><li>(5) Convertible paper money and Inconvertible paper money.</li><li>(6) Revenue expenditure and Capital expenditure.</li></ol> <p><b>(B) Write short notes (Any TWO) :</b> (6)</p> <ol style="list-style-type: none"><li>(1) Microscopic study.</li><li>(2) Income elasticity of demand.</li><li>(3) Determination of equilibrium price under perfect competition.</li><li>(4) Functions of an Entrepreneur.</li></ol>
<b>Q.4.</b>	<p><b>Write short answers for the following questions (Any THREE):</b> [12]</p> <ol style="list-style-type: none"><li>(1) Explain the law of diminishing marginal utility.</li><li>(2) Explain the features of monopoly.</li><li>(3) Explain the features of macro economics.</li><li>(4) Explain various types of investment expenditure.</li><li>(5) Explain the secondary functions of money.</li><li>(6) Explain different types of loans and advances provided by commercial banks.</li></ol>
<b>Q.5.</b>	<p><b>Explain with reasons whether you 'agree' or 'disagree' with the following statements (Any THREE):</b> [12]</p> <ol style="list-style-type: none"><li>(1) The law of equi-marginal utility is based on certain assumptions.</li><li>(2) Population is the only determinant factor of demand.</li><li>(3) There are no exceptions to the law of supply.</li><li>(4) Providing safe deposit vault facility is the only general function of commercial banks.</li><li>(5) There is no difference between the Central bank and a commercial bank.</li><li>(6) During the period of inflation surplus budget is advisable.</li></ol>
<b>Q.6.</b>	<p><b>Write explanatory answers (Any TWO) :</b> [16]</p> <ol style="list-style-type: none"><li>(1) Explain in detail 'saving function' with schedule and diagram.</li><li>(2) What is 'elasticity of demand'? Explain the factors determining elasticity of demand.</li><li>(3) What is 'national income'? Explain the theoretical difficulties involved in the measurement of national income.</li><li>(4) State and explain the 'law of demand' with its exceptions.</li></ol>