

**BOARD QUESTION PAPER : OCTOBER 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 answers of every new question on a new page.

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

- (1) Micro economics is a study of _____.
(whole economy / general price level / national output / individual economic unit)
- (2) Demand for salt is _____.
(elastic / inelastic / infinitely elastic / unitary elastic)
- (3) _____ consumption can not be zero.
(Induced / Autonomous / Government / Private)
- (4) The primary function of commercial banks is to _____.
(purchase and sell securities / accept deposits / provide safe deposit vaults / issue letters of credit)
- (5) During depression, _____ budget is preferable.
(balanced / surplus / deficit / zero)

(B) Match the correct pairs: (5)

	Group "A"		Group "B"
i.	Demand and price	a.	Interest
ii.	Stock	b.	Profit
iii.	Reward of capital	c.	Reserve Bank of India
iv.	Unemployment allowance	d.	Bank of India
v.	Central Bank	e.	Direct relation
		f.	Potential supply
		g.	Transfer income
		h.	Inverse relation

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

- (1) Concept of elasticity of demand is useful for the finance minister.
- (2) Supply of perishable goods is inelastic.
- (3) There is no price discrimination under monopolistic competition.
- (4) A cheque is a fiat money.
- (5) The savings bank deposit can be opened with a small amount.
- (6) The Central Bank does not work as bankers' bank.

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

- (1) Average revenue
- (2) Selling cost
- (3) Land
- (4) General equilibrium
- (5) Bank rate
- (6) Individual economic unit



- (B) Give reasons or explain the following statements (Any THREE):** (6)
- (1) Micro economic theories are based on certain assumptions.
 - (2) Utility is ethically neutral.
 - (3) Demand for habitual goods is inelastic.
 - (4) Paid services are included in national income.
 - (5) There are many subjective factors that determine consumption function.
 - (6) Central bank acts as a lender of the last resort.
- Q.3. (A) Distinguish between (Any THREE):** (6)[12]
- (1) Desire and Demand.
 - (2) Gross National Product and Net National Product.
 - (3) Paper money and Metal coins.
 - (4) Surplus budget and Deficit budget.
 - (5) Micro economics and Macro economics.
 - (6) Stock and Supply.
- (B) Write short notes (Any TWO):** (6)
- (1) Importance of micro economics.
 - (2) Ratio method of measuring elasticity of demand.
 - (3) Types of monopoly.
 - (4) Qualities of an entrepreneur.
- Q.4. Write short answers for the following questions (Any THREE):** [12]
- (1) What are the characteristics of utility?
 - (2) Explain the features of perfect competition.
 - (3) What are the features of macro economics?
 - (4) What are the determinants of aggregate supply?
 - (5) Explain various types of deposits.
 - (6) Explain the components of budget.
- Q.5. Explain with reasons whether you 'agree' or 'disagree' with the following statements (Any THREE):** [12]
- (1) Various factors influence the demand for a commodity.
 - (2) Law of diminishing marginal utility is important in practice.
 - (3) Price is the only determinant of supply.
 - (4) Money performs various functions.
 - (5) Commercial banks provide many general utility services.
 - (6) Central Bank is a profit making institution.
- Q.6. Write explanatory answers (Any TWO):** [16]
- (1) State and explain the law of demand with assumptions.
 - (2) What are the types of price elasticity of demand?
 - (3) Explain the practical difficulties involved in the estimation of national income.
 - (4) Explain the determinants of aggregate demand.