

SECOND YEAR HIGHER SECONDARY EXAMINATION, MARCH 2023

Part – III

Time : 2½ Hours

ECONOMICS

Cool-off time : 15 Minutes

Maximum : 80 Scores

General Instructions to Candidates :

- There is a 'Cool-off time' of 15 minutes in addition to the writing time.
- Use the 'Cool-off time' to get familiar with questions and to plan your answers.
- Read questions carefully before answering.
- Read the instructions carefully.
- 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.

വിദ്യാർത്ഥികൾക്കുള്ള പൊതുനിർദ്ദേശങ്ങൾ :

- നിർദ്ദിഷ്ട സമയത്തിന് പുറമെ 15 മിനിറ്റ് 'കൂൾ ഓഫ് ടൈം' ഉണ്ടായിരിക്കും.
- 'കൂൾ ഓഫ് ടൈം' ചോദ്യങ്ങൾ പരിചയപ്പെടാനും ഉത്തരങ്ങൾ ആസൂത്രണം ചെയ്യാനും ഉപയോഗിക്കുക.
- ഉത്തരങ്ങൾ എഴുതുന്നതിന് മുമ്പ് ചോദ്യങ്ങൾ ശ്രദ്ധാപൂർവ്വം വായിക്കണം.
- നിർദ്ദേശങ്ങൾ മുഴുവനും ശ്രദ്ധാപൂർവ്വം വായിക്കണം.
- കണക്ക് കൂട്ടലുകൾ, ചിത്രങ്ങൾ, ഗ്രാഫുകൾ, എന്നിവ ഉത്തരപേപ്പറിൽ തന്നെ ഉണ്ടായിരിക്കണം.
- ചോദ്യങ്ങൾ മലയാളത്തിലും നല്കിയിട്ടുണ്ട്.
- ആവശ്യമുള്ള സ്ഥലത്ത് സമവാക്യങ്ങൾ കൊടുക്കണം.
- പ്രോഗ്രാമുകൾ ചെയ്യാനാകാത്ത കാൽക്കുലേറ്ററുകൾ ഒഴികെയുള്ള ഒരു ഇലക്ട്രോണിക് ഉപകരണവും പരീക്ഷാഹാളിൽ ഉപയോഗിക്കുവാൻ പാടില്ല.



Answer any 8 questions from 1 to 10. Each carries 1 score.

1. A good that is non-rival and non-excludable is
 - (a) Public goods
 - (b) Inferior good
 - (c) Private goods
 - (d) Capital goods

2. The value of Marginal Propensity to Consume (MPC) lies between
 - (a) 0 and 100
 - (b) 0 and 1
 - (c) -1 and +1
 - (d) 0 and infinity

3. 'For whom to produce' is the problem related to
 - (a) Technology of production
 - (b) Selection of Goods and Services
 - (c) Distribution of National Income
 - (d) Price Determination

4. The short run shut-down point of a firm in a perfect competitive market is :
 - (a) Price = Average Cost
 - (b) Price = Total Cost
 - (c) Price = Total Variable Cost
 - (d) Price = Average Variable Cost

5. The institution that regulates the money supply in India :
 - (a) NABARD
 - (b) RBI
 - (c) WTO
 - (d) SEBI

6. If consumer's income increases, the demand for inferior goods
 - (a) Increase
 - (b) Constant
 - (c) Decrease
 - (d) None of these

7. The ratio of Nominal GDP to real GDP is
- (a) Consumer Price Index (b) Wholesale Price Index
(c) Producer Price Index (d) GDP Deflator
8. If export of goods is more than import of goods, then Balance of trade will be :
- (a) Surplus (b) Deficit
(c) Balance (d) Zero
9. The U shape of Long run Average Cost (LRAC) curve is due to
- (a) Law of Variable Proportion
(b) Law of Returns to Scale
(c) Law of Demand
(d) Law of Diminishing Marginal Utility
10. When output is zero, Total Variable Cost (TVC) will be :
- (a) Increasing (b) Decreasing
(c) Zero (d) One

Answer any 4 questions from 11 to 15. Each carries 2 scores.

(4 × 2 = 8)

11. What is intermediate goods ? Give one example.
12. If the Cash Reserve Ratio (CRR) of an economy is 25%, find the value of money multiplier.
13. Write down any two features of Indifference curve.
14. The market demand curve and the market supply curve for wheat are given below :
- $$Q_D = 50 - 2P$$
- $$Q_S = 10 + 2P$$
- Find the equilibrium price and quantity.
15. Write down any two objectives of government budget.

Answer any 4 questions from 16 to 20. Each carries 3 scores.

(4 × 3 = 12)

16. Write down the three stages of returns to scale.
17. List out any three features of perfect competitive market.
18. Jomon wants to buy rice and wheat with the money income of ₹ 120. Its market prices are ₹ 15 and ₹ 20 respectively. Find the horizontal intercept, vertical intercept and slope of the budget line.
19. Write down the three limitations of Gross Domestic Product (GDP) as an indicator of welfare.
20. List out the three ways in which an economy makes economic relations with other economies.

Answer any 4 questions from 21 to 25. Each carries 4 scores.

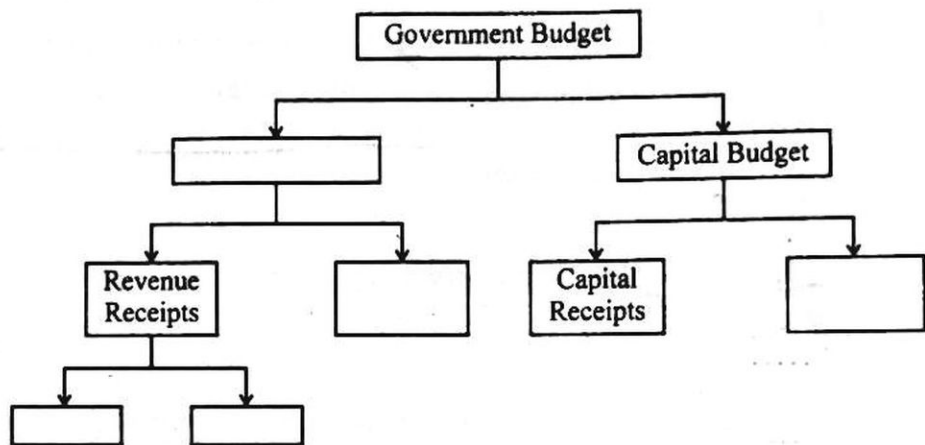
(4 × 4 = 16)

21. Explain the circular flow of income in a two-sector economy with the help of a diagram.
22. Write a short note on the emergence of macro economics.
23. Write a short note on flexible exchange rate with the help of diagram.
24. Explain price ceiling with the help of a diagram.
25. Difference between Market economy and Centrally planned economy.

Answer any 4 question from 26 to 30. Each carries 5 scores.

26. Explain the optimal choice of a consumer (consumer's equilibrium) with the help of a diagram.

27. Complete the following flow chart :



28. Explain the short run equilibrium conditions for profit maximization of firms under perfect competitive market with the help of diagram.
29. (a) What do you mean by the price elasticity of demand ?
(b) The price of potato falls from ₹ 100 to ₹ 75. As a result of which demand rises from 10 kg to 15 kg. Calculate the price elasticity of demand.
(c) Based on the above information, comment on the nature of the elasticity of demand.
30. (a) Differentiate between Marginal Propensity to Consume (MPC) and Marginal Propensity to Save (MPS).
(b) In a two sector economy, Marginal Propensity to Consume (MPC) is 0.6. Find the investment multiplier.

31. Explain the three methods of measuring GDP.
32. Describe the monetary policy instruments of RBI.
33. (a) Calculate Total Variable Cost (TVC), Average Cost (AC), Average Fixed Cost (AFC), Average Variable Cost (AVC) and Short run Marginal Cost (SMC) :

Output (Q)	Total Fixed Cost (TFC)	Total Variable Cost (TVC)	Total Cost (TC)	Average Cost (AC)	Average Fixed Cost (AFC)	Average Variable Cost (AVC)	Short run Marginal Cost (SMC)
0	70		70				
1	70		100				
2	70		110				
3	70		115				
4	70		125				
5	70		145				
6	70		180				
7	70		250				

- (b) Draw Total Cost (TC), Total Fixed Cost (TFC) and Total Variable Cost (TVC) in a single diagram by using the above data.