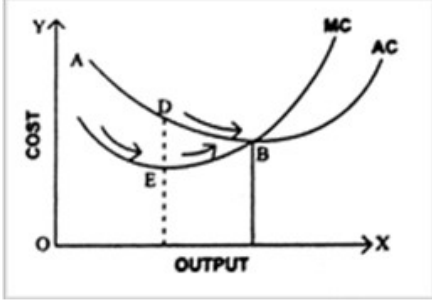


**UNOFFICIAL ANSWER KEY****SECOND YEAR HIGHER SECONDARY SECOND TERMINAL EXAMINATION – DECEMBER 2022****PART III SUBJECT: ECONOMICS****CODE : SY-2035****MAXIMUM SCORE: 80****TIME: 2 ½ HOURS****PREPARED BY RAJESH.S**

Qn. No	Sub. Qns	Answer Key / Value Point	Score	Total Score
<b>ANSWER ANY10 QUESTIONS FROM 1to12</b>				
1		b) Perfect Competition	1	1
2		d) Variable costs will be zero when Output is Zero	1	1
3		c) Falls	1	1
4		d) Capitalist Economy	1	1
5		a) Diminishing Marginal Rate of Substitution	1	1
6		b) Expansion of demand	1	1
7		d) Negative Returns to Scale	1	1
8		d) Rightward Shift of Supply of curve	1	1
9		b) J.M. Keynes	1	1
10		a) Investment	1	1
11		a) Buying and Selling of government bonds by central bank.	1	1
12		a) Positive	1	1
<b>ANSWER ANY5 QUESTIONS FROM 13to18</b>				
13		When we consume more and more units of a Commodity, the marginal utility Obtained from it decreases or diminishes	2	2
14		Both are inverse 'U' Shaped Curves. MP cuts AP at the maximum point of AP Both of them increases, MP is above of AP, When it decreases AP is above of MP (Any two)	1+1	2
15		Transaction Speculation Precaution (Any two)	1 1	2
16		It is a Point where a firm Stop its Production and leaves the market. In Short run it is the minimum point of AVC And in long run it is the minimum point of AC	1 1	2
17		medium of Exchange measure of value Store of value Standard for deferred Payments (Any four)	1 1	2
18	a) b)	Average Variable cost (AVC) Production function).	1 1	2
<b>ANSWER ANY6 QUESTIONS FROM 19to25</b>				
19		$ED = \frac{\Delta Q}{\Delta P} \times \frac{P}{Q} = \frac{120}{5} \times \frac{15}{200} = 1.8$	3	3

20	a)		1	3																																			
	b)	<p>Both are 'U' Shaped Curves. 'SMC Cuts 'SAC' at the minimum Point of SAC</p>	$\frac{1}{2}$ 1																																				
21	a)	<table border="1" data-bbox="416 994 882 904"> <thead> <tr> <th>UNIT SOLD</th> <th>PRICE</th> <th>TOTAL REVENUE</th> <th>AVERAGE REVENUE</th> <th>MARGINAL REVENUE</th> </tr> </thead> <tbody> <tr><td>0</td><td>5</td><td>0</td><td>0</td><td>0</td></tr> <tr><td>1</td><td>5</td><td>5</td><td>5</td><td>5</td></tr> <tr><td>2</td><td>5</td><td>10</td><td>5</td><td>5</td></tr> <tr><td>3</td><td>5</td><td>15</td><td>5</td><td>5</td></tr> <tr><td>4</td><td>5</td><td>20</td><td>5</td><td>5</td></tr> <tr><td>5</td><td>5</td><td>25</td><td>5</td><td>5</td></tr> </tbody> </table>	UNIT SOLD	PRICE	TOTAL REVENUE	AVERAGE REVENUE	MARGINAL REVENUE	0	5	0	0	0	1	5	5	5	5	2	5	10	5	5	3	5	15	5	5	4	5	20	5	5	5	5	25	5	5	$1 + \frac{1}{2} + \frac{1}{2}$	3
UNIT SOLD	PRICE	TOTAL REVENUE	AVERAGE REVENUE	MARGINAL REVENUE																																			
0	5	0	0	0																																			
1	5	5	5	5																																			
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5	5	25	5	5																																			
	b)	<p>Perfect competition</p>	1																																				
22		<p>Great Depression in 1929-30 Classical Ideas were proved wrong Publication of the book 'The General Theory of Employment Interest and Money' In 1936 by J.M. Keynes</p>	1 1 1	3																																			
23		<p>Value of GDP at Current year Prices is called nominal GDP. Value of GDP at Constant Price is called Real gdp GDP DEFLATOR = <math>\frac{GDP}{gdp} \times 100 = \frac{1500}{1000} \times 100 = 150</math></p>	1 1 1	3																																			
24		<p>(b)-----factor income (c)-----spending (d)-----goods and services</p>	1 1 1	3																																			
25	a) b)	<p>Ratio between change in income and change in investment. <math>\Delta y = \frac{1}{1-c} \times \Delta y = \frac{1}{0.5} \times 3000 = ₹6000 \text{ crores}</math></p>	1 2	3																																			
<b>ANSWER ANY 4 QUESTIONS FROM 26 to 30</b>																																							
26	a) b)	<p>Branch of Economics deals with Individual Units is known as Micro economics. Branch of economics deals with aggregates is known as macro economics. Micro economics---demand for orange, utility Micro economics---aggregate demand, per capita income</p>	1 1 1 1	4																																			
27		<p>1) Price of the Commodity 2) Price of Close Substitutes 3) 3 Income of the Consumer 4) Taste and Preference of the consumer 5) 5 fashion6) Climate(Any 4 with explanation)</p>	1 1 1 1	4																																			

		6) market Situation "Which large number	1																																																									
28		market Situation "Which large number of Buyers and sellers buy and sell homo- Jenous Product is called Perfect Competition 1) Large number of Buyers and Sellers 2) (Homogenous Product 3) Absence of transportation cost 4) Freedom of entry and exit(Any. Two with explanation)	1 3	4																																																								
29		Distribution of GDP how uniform is it? Externalities non monetary Exchanges.(Any two with explanation)	2+2	4																																																								
30	a)	Ratio between change in consumption and change in Income	1	4																																																								
	b)	Ratio between Change in Savings and change in Income MPC=0.5 MPS=0.5	1																																																									
			1+1																																																									
<b>ANSWER ANY2 QUESTIONS FROM 31 to33</b>																																																												
31		$GDP_{MP}=C+I+G+X-M=₹85,500$ crores	5	5																																																								
32		<table border="1"> <thead> <tr> <th>output</th> <th>TFC</th> <th>TVC</th> <th>TC</th> <th>AFC</th> <th>AVC</th> <th>AC</th> <th>MC</th> </tr> </thead> <tbody> <tr> <td>0</td> <td>10</td> <td>0</td> <td>10</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>1</td> <td>10</td> <td>20</td> <td>30</td> <td>10</td> <td>20</td> <td>30</td> <td>20</td> </tr> <tr> <td>2</td> <td>10</td> <td>30</td> <td>40</td> <td>5</td> <td>15</td> <td>20</td> <td>10</td> </tr> <tr> <td>3</td> <td>10</td> <td>50</td> <td>60</td> <td>3.3</td> <td>16.6</td> <td>20</td> <td>20</td> </tr> <tr> <td>4</td> <td>10</td> <td>80</td> <td>90</td> <td>2.5</td> <td>20</td> <td>22.5</td> <td>30</td> </tr> <tr> <td>5</td> <td>10</td> <td>100</td> <td>110</td> <td>2</td> <td>20</td> <td>22</td> <td>20</td> </tr> </tbody> </table>	output	TFC	TVC	TC	AFC	AVC	AC	MC	0	10	0	10	-	-	-	-	1	10	20	30	10	20	30	20	2	10	30	40	5	15	20	10	3	10	50	60	3.3	16.6	20	20	4	10	80	90	2.5	20	22.5	30	5	10	100	110	2	20	22	20	5	5
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0	10	0	10	-	-	-	-																																																					
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4	10	80	90	2.5	20	22.5	30																																																					
5	10	100	110	2	20	22	20																																																					
33	a)	Total stock of money in circulation in an economy at a particular point of time.	1	5																																																								
	b)	Open market operation Varying reserve ratios(with explanation)	2+2																																																									
<b>ANSWER ANY2 QUESTIONS FROM 34 to36</b>																																																												
34		Value added method Income method	4 4	8																																																								
35		Increasing returns to a factor decreasing returns to a factor negative returns to a factor correct diagram	2 2 2 2	8																																																								
36	a)	INDIFFERENCE CURVE ALWAYS SLOPES DOWNWARDS FROM LEFT TO RIGHT INDIFFERENCE CURVE IS ALWAYS CONVEX TO THE ORIGIN HIGHER INDIFFERENCE CURVE REPRESENTS HIGHER LEVEL OF SATISFACTION	1 1 1	8																																																								
	b)	Consumers optimum with correct diagram	5																																																									