



Class No. : .....

**2035**

Name : .....

**SECOND YEAR HIGHER SECONDARY  
SECOND TERMINAL EXAMINATION, DECEMBER-2022**

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 10 questions from 1 to 12. Each carries 1 score.**

**(10 × 1 = 10)**

1. Price taking behaviour is a feature of ;
  - (a) Monopoly
  - (b) Perfect Competition
  - (c) Oligopoly
  - (d) Monopolistic Competition
  
2. Which one of the following is true ?
  - (a) Fixed costs will be zero when output is zero
  - (b) There are fixed costs in the long run
  - (c) The shape of Marginal cost curve is rectangular hyperbola
  - (d) Variable costs will be zero when output is zero
  
3. When Marginal utility is negative, total utility will be;
  - (a) Rises
  - (b) Constant
  - (c) Falls
  - (d) Zero
  
4. The working of market mechanism is a key feature of;
  - (a) Capitalist economy
  - (b) Socialist economy
  - (c) Centrally planned economy
  - (d) Command economy
  
5. The reason for the 'Convex' shape of Indifference curve is;
  - (a) Diminishing Marginal Rate of Substitution
  - (b) Law of diminishing marginal utility
  - (c) Monotonic preference
  - (d) Constant elasticity of demand





11. Open Market operation refers to;
- (a) Buying and selling of government bonds by central bank
  - (b) Lending loan at lower rate of interest
  - (c) Lending loan at higher rate of interest
  - (d) Buying and selling of goods and services
12. The autonomous consumption when income is zero will be;
- (a) Positive
  - (b) Negative
  - (c) Zero
  - (d) Less than 1

**Answer any 5 questions from 13 to 18. Each carries 2 scores.**

**(5 × 2 = 10)**

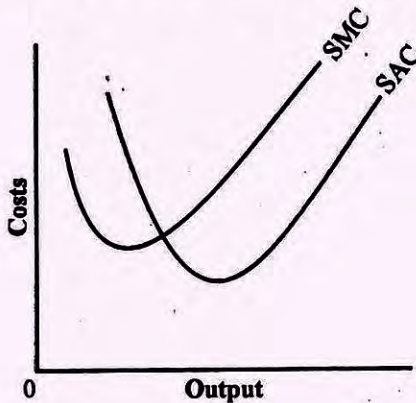
13. State the law of diminishing marginal utility.
14. Write down any two relationships between Average Product (AP) and Marginal Product (MP).
15. List out any two reasons for the demand for money.
16. What do you mean by shutdown point ?
17. Mention any four functions of money.
18. Write down the appropriate economic term for the followings :
- (a) Variable cost per unit of output produced.
  - (b) Relationship between input and output.

Answer any 6 questions from 19 to 25. Each carries 3 scores.

(6 × 3 = 18)

19. The price per unit of a commodity increases from ₹ 15 to ₹ 20. As a result the demand in the market decreases from 200 units to 80 units. Based on the above information, calculate price elasticity of demand.

20. Observe the following diagram and answer the questions :



(a) Correct the diagram if necessary.

(b) Mention any two relationships between Short run Average Cost (SAC) and Short run Marginal Cost (SMC).

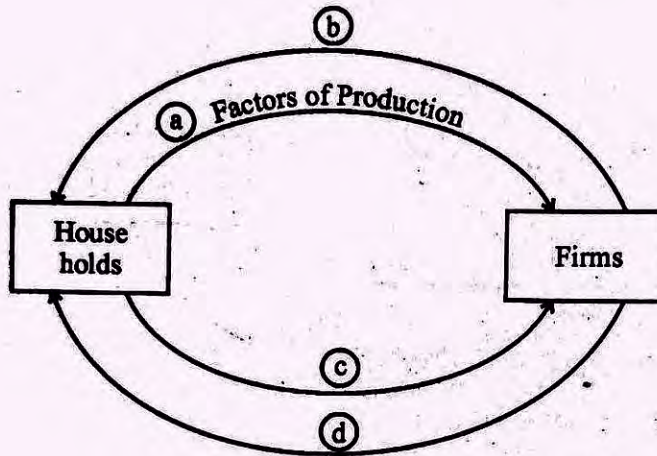
21. (a) Complete the following table :

Unit(s) Sold	Price	TR	AR	MR
0	5			
1	5			
2	5			
3	5			
4	5			
5	5			

(b) Identify the market structure from the above table.



22. Give a brief account on the emergence of modern macro economics.
23. (a) Distinguish between Nominal GDP and Real GDP.  
 (b) Calculate GDP deflator from the following data :
- Nominal GDP : ₹ 1,500  
 Real GDP : ₹ 1,000
24. Complete circular flow of income and expenditure in two sector model of an economy :



25. (a) What is investment multiplier ?  
 (b) Calculate equilibrium income when  $MPC = 0.5$  and Autonomous investment expenditure = ₹ 3,000 crores.

Answer any 4 questions from 26 to 30. Each carries 4 scores.

(4 × 4 = 16)

26. (a) Distinguish between Micro economics and Macro economics.  
 (b) Classify the following economic variables under the heads of Micro economics and Macro-economics :

Aggregate demand, Demand for Orange, Utility, Per capita income.

27. Explain any four factors affecting demand for a commodity.
28. (a) What is perfect competition ?  
 (b) List out any three features of perfectly competitive market.
29. Explain any two limitations of using GDP as an index of welfare of a country.
30. (a) Distinguish between Marginal Propensity to Consume (MPC) and Marginal Propensity to Save (MPS).  
 (b) Find out MPC and MPS from the following :

Income (Y)	Consumption expenditure (C)	MPC	MPS
₹ 3,000	₹ 1,000	-	-
₹ 5,000	₹ 2,000		

Answer any 2 questions from 31 to 33. Each carries 5 scores.

(2 × 5 = 10)

31. Calculate Gross Domestic Product at market price ( $GDP_{mp}$ ) from the following data :

	Items	₹ in crores
(a)	Private final consumption expenditure (C)	25,000
(b)	Private final Investment expenditure (I)	10,000
(c)	Government final consumption and Investment expenditure (G)	50,000
(d)	Net export (X - M)	500



32. It is given that the Total Fixed Cost (TFC) of producing first unit of output is ₹ 10. On the basis of the above information, complete the following cost schedule :

Output	TFC	TVC	TC	AFC	AVC	AC	MC
0		0					
1		20					
2		30					
3		50					
4		80					
5		100					

33. (a) What is Money Supply ?  
 (b) Explain any two monetary policy measures used by central bank to control money supply in the economy.

Answer any 2 questions from 34 to 36. Each carries 8 scores.

(2 × 8 = 16)

34. Write down the steps of measuring National Income by Value Added method and Income method.
35. Explain the law of variable proportion with help of a diagram.
36. (a) List out the features of Indifference curve.  
 (b) Explain the optimal choice of the consumer (Consumer's equilibrium) with help of a diagram.