

ECONOMICS

Maximum Marks: 80

Time allowed: Two hours

Answers to this Paper must be written on the paper provided separately.

*You will **not** be allowed to write during the first 15 minutes.*

This time is to be spent in reading the question paper.

The time given at the head of this Paper is the time allowed for writing the answers.

*Attempt **all** questions from **Section A** and **any four** questions from **Section B**.*

The intended marks for questions or parts of questions are given in brackets [].

SECTION A (40 Marks)

*(Attempt **all** questions from this **Section**.)*

Question 1

[16]

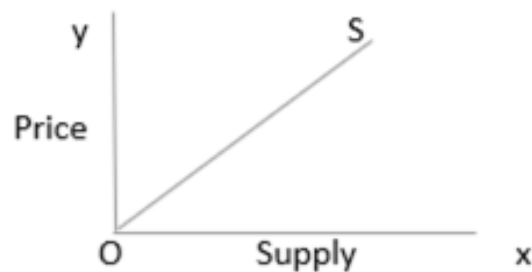
Choose the correct answers to the questions from the given options.

(Do not copy the questions, write the correct answers only.)

- (i) If the *rate of tax* falls with an increase in income, it is called as:
- (a) Regressive
 - (b) Progressive
 - (c) Digressive
 - (d) Proportional
- (ii) Which is *an assumption* to law of demand?
- (a) No change in price of factor input
 - (b) No change in size and composition of population
 - (c) No change in number of firms operating in a market
 - (d) No change in goal of a firm

This paper consists of 8 printed pages.

- (iii) Which is *an essential feature* of barter system?
- (a) It is based on transfer of value
 - (b) It is based on double coincidence of wants
 - (c) It is based on unit of account
 - (d) It is based on store of value
- (iv) If a labourer *does not work* for a day, his one day's work will be *lost forever*.
It implies:
- (a) Labour is less mobile
 - (b) Labour is perishable
 - (c) Labour is less efficient
 - (d) Labour is sensitive in nature
- (v) With reference to Perfect competition form of market, choose the ***odd one out***.
- (a) Restricted entry
 - (b) Perfect knowledge
 - (c) Homogeneous products
 - (d) Perfect mobility
- (vi) Identify the *degree of elasticity* of supply from the following graph:



- (a) $ES > 1$
- (b) $ES < 1$
- (c) $ES = 1$
- (d) $ES = 0$

- (vii) Maruti, Tata and Hyundai are examples of which *form* of market?
- (a) Perfect competition
 - (b) Oligopoly
 - (c) Monopoly
 - (d) Duopoly
- (viii) With *price being same* an increase in the price of inputs will lead to _____ in the supply curve.
- (a) Upward movement
 - (b) Rightward shift
 - (c) Downward movement
 - (d) Leftward shift
- (ix) Which of the following is **not** an advantage of division of labour?
- (a) Reduces cost of production
 - (b) Expansion of employment
 - (c) Low quality goods
 - (d) Inventions
- (x) *The State Electricity Board sells electricity at cheaper rates for domestic use than for commercial use.* Given statement shows an act of:
- (a) Product differentiation
 - (b) Price discrimination
 - (c) Consumer exploitation
 - (d) Price determination

(xi) The year 2023 was celebrated as ‘International Year of Millets’ and the government decided to *subsidize* the production of millets. In such case the supply curve will:

- (a) Shift to the right
- (b) Shift to the left
- (c) Be horizontal
- (d) Be vertical

(xii) Mr. Rao needs to *pay license fee to the government* to start his electric vehicle shop and some documents to meet the safety norms.

The revenue earned by the government from this process will be called as _____ revenue.

- (a) Commercial
- (b) Central
- (c) GST
- (d) Administrative

(xiii) The ‘Right’ which allows the consumer to receive due consideration at appropriate forum relating to his / her welfare is:

- (a) Right to education
- (b) Right to seek redressal
- (c) Right to be heard
- (d) Right to be informed

(xiv) The elasticity of demand for *school bag* will be _____.

- (a) Elastic
- (b) Perfectly elastic
- (c) Unitary elastic
- (d) Inelastic

- (xv) When State Bank of India is under financial crisis and borrows money from Central Bank at a *certain rate* against approved securities, it will be called as:
- (a) Interest rate
 - (b) Lending rate
 - (c) Reverse lending
 - (d) Bank rate
- (xvi) If Coke and Fanta are close substitutes to each other, a rise in price of Coke will lead to _____ for Fanta.
- (a) Decrease in demand
 - (b) Increase in demand
 - (c) Increase in quantity supplied
 - (d) No change in demand

Question 2

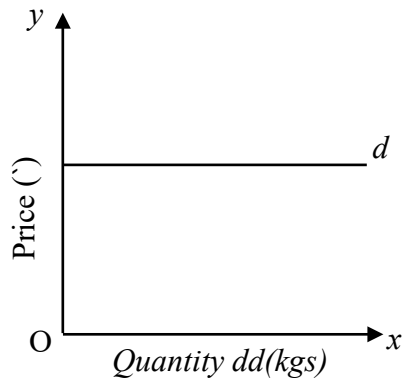
- (i) Explain *any two* causes for the growth of public expenditure. [2]
- (ii) What are *funded debts*? [2]
- (iii) How can we define the term *market* in economics? [2]
- (iv) '*A state of running or hyperinflation in any economy is very harmful for production.*' Justify the statement with *two* reasons. [2]

Question 3

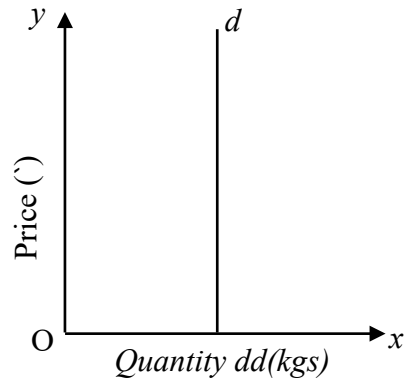
- (i) What is the *formula* for percentage method of calculating price elasticity of supply? [2]
- (ii) What is *walking inflation*? [2]

(iii) What does *RTI* stand for? What *provision* is provided under this Act to the citizens of the country? [2]

(iv) [2]



Picture 1



Picture 2

Analyse the given graphs and identify the type of elasticity of demand of:

(a) Picture 1

(b) Picture 2

Question 4

(i) What is the *legal* definition of money? [2]

(ii) How is internal debt *different* from external debt? (*One point*) [2]

(iii) State whether the following statement is true or false. Give reason for your answer. [2]

The capital like printing machines, tools when used in process of production are subject to depreciation.

(iv) Define the term *public finance*. [2]

SECTION B (40 Marks)

(Attempt *any four* questions from this *Section*.)

Question 5

- (i) (a) Define productivity of land. [5]
(b) Explain *any three* factors affecting productivity of land.
- (ii) Give *five* points of difference between Commercial and Central Bank. [5]

Question 6

- (i) (a) What is the meaning of creeping inflation? [5]
(b) Explain *any three* causes of demand-pull inflation.
- (ii) (a) What is an *overdraft facility*? [5]
(b) Differentiate between demand deposits and fixed deposits. (*Three points*)

Question 7

- (i) State and explain the law of demand with the help of a hypothetical schedule and graph. [5]
- (ii) Read the following statements: [5]
State whether demand will be *Elastic* or *Inelastic*.
Give reasons for your answer.
- (a) The demand for *salt* by households.
- (b) A consumer prefers to *postpone* the purchase of a car to avail more of year ending discount.

Question 8

- (i) (a) Define *labour* as a factor of production. [5]
(b) Mention *any three* decision making functions of an entrepreneur.
- (ii) How are consumers *exploited* by producers and retailers? [5]

Question 9

- (i) Give *any five* points of *differences* between direct and indirect tax. [5]
- (ii) (a) What are *proportional* taxes? [5]
- (b) Explain *any three* features of a monopoly market.

Question 10

- (i) (a) What do you mean by *market supply*? [5]
- (b) Briefly explain *any three* factors that affect supply of a commodity.
- (ii) Read the extract and answer the following questions: [5]

Food adulteration is a complex issue that requires a multi-pronged approach involving government intervention, industry cooperation, and consumer awareness. In Country X, addressing food adulteration is an ongoing challenge, but with a concerted effort from all stakeholders, there is hope for creating a safer and more trustworthy food supply chain in the future.

- (a) In order to secure consumer rights what duties should the consumers fulfil?
- (b) Mention *any two* harmful effects of food adulteration.