SECOND YEAR HIGHER SECONDARY EXAMINATION, MARCH 2025

Part – III

ECONOMICS

Maximum : 80 Scores

Time : 2½ Hours

Cool-off time : 15 Minutes

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. $(8 \times 1 = 8)$

1. The Equilibrium price in a perfectly competitive market when free entry and exit is allowed.

   (a) P = Maximum of TR   (b) P = Minimum of TR

   (c) P = Maximum of AC   (d) P = Minimum of AC

2. The famous book 'The General Theory of Employment, Interest and Money' was written by :

   (a) Adam Smith   (b) J.M. Keynes

   (c) Alfred Marshall   (d) Ragnar Frisch

3. The stock of unsold finished or semi finished goods which a firm carries from one year to next year is known as :

   (a) Inventories   (b) Demand

   (c) Utility   (d) Consumption

4. The figure shows the leftward shift of demand curve. Identify the cause of the shift from the following :
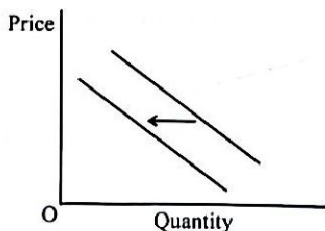
   (a) Price of the product increases

   (b) Price of the product decreases

   (c) Income of the consumer decreases

   (d) Income of the consumer increases

5. The Price of one currency in terms of another currency is known as :

   (a) Balance of Trade   (b) Exchange rate

   (c) Balance of Payment   (d) Export rate

6. The inequality $P_1x_1 + P_2x_2 \le M$ shows :

   (a) Budget line equation   (b) Budget constraint

   (c) Demand function   (d) Supply function

7. The difference between the government's total expenditure and its total receipts excluding borrowing is known as :

   (a) Budget deficit   (b) Revenue deficit

   (c) Primary deficit   (d) Fiscal deficit

8. Average Revenue (AR) =

   (a) TR/Q   (b) TP/Q

   (c) TC/Q   (d) P/Q

9. The value of MPC + MPS =

   (a) 0   (b) Less than one

   (c) 1   (d) Greater than one

10. Gross Value Added (GVA) at Factor Cost + Net Production Tax =

   (a) Net Value Added at Market Price

   (b) Net Value Added at Basic Price

   (c) Gross Value Added at Market Price

   (d) Gross Value Added at Basic Price

11. Distinguish between Capital goods and Intermediary goods.

12. Quantity Demanded = 100 – 4P and Quantity Supplied = 8P – 20. Find equilibrium Price and Quantity.

13. List out the four major sectors in an economy according to the macro economic point of view.

14. The following chart shows the linkages due to the international trade. Complete the flow chart :
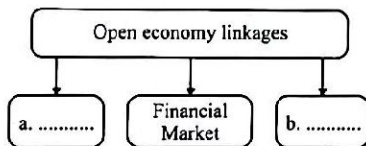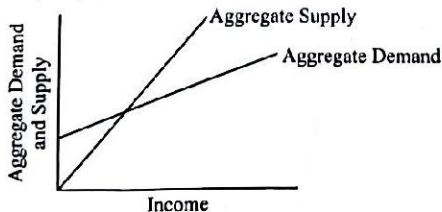

15. Write any two features of Centrally Planned Economy.

Answer any 4 questions from 16 to 20. Each carries 3 scores.　　　　　$(4 \times 3 = 12)$

16. Write the central problems of an economy in relation with the scarcity of resources.

17. Mark equilibrium point, deficient demand and excess demand in a two sector economy :

18. List out the features of Indifference curve.

19. Write the objectives of Government Budget.

20. Complete the table :

Quantity	TFC	TVC	TC	MC
0			100	
1			150	
2			180	
3			200	
4			210	
5			215	

Answer any 4 questions from 21 to 25. Each carries 4 scores. $(4 \times 4 = 16)$

21. Distinguish between Fixed exchange rate system and flexible exchange rate system.

22. Explain the features of Perfectly competitive market.

23. What do you mean by Real GDP and Nominal GDP ? How we can calculate GDP deflator ?

24. A consumer with his income of ₹ 80 is buying two goods Apple and Orange. The Price of Apple is ₹ 10 and price of Orange is ₹ 5 :
    (a) Write down the Budget line equation.
    (b) Find Horizontal and Vertical intercept.
    (c) Draw the Budget line.

25. Complete the Circular flow of income in a two sector economy :
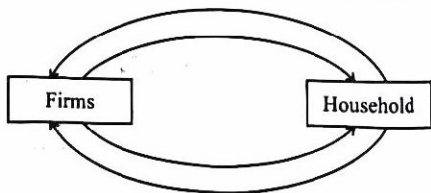
Answer any 4 questions from 26 to 30. Each carries 5 scores. $(4 \times 5 = 20)$

26. Explain the income method for measuring GDP.

27. Explain the optimal choice of the consumer (Equilibrium of the consumer).

28. Discuss the main components of Government Budget. Distinguish between Revenue receipts and revenue expenditure.

29. Explain price floor with the help of a diagram.

30. List out the components of Aggregate Demand in a two sector economy. Find equilibrium income when $C = 100 + 0.8Y$ and Investment is 150.

Answer any 2 questions from 31 to 33. Each carries 8 scores. $(2 \times 8 = 16)$

31. (a) Explain the law of variable proportions with the help of a diagram.

    (b) Write the relationships between Average Product (AP) and Marginal Product (MP).

32. (a) List out the functions of RBI.

    (b) Explain the policy tools to control money supply in India.

33. Analyse the short run profit maximisation conditions of a firm in a perfectly competitive market. Explain with the help of a diagram.

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