

## **ECONOMICS**

**Maximum Marks: 80**

**Time allowed: Two hours**

1. *Answers to this Paper must be written on the paper provided separately.*
2. *You will **not** be allowed to write during the first 15 minutes.*
3. *This time is to be spent in reading the question paper.*
4. *The time given at the head of this Paper is the time allowed for writing the answers.*

5. *Attempt **all** questions from **Section A** and **any four** questions from **Section B**.*
6. *The intended marks for questions or parts of questions are given in brackets [ ].*

### **Instruction for the Supervising Examiner**

*Kindly read aloud the Instructions given above to all the candidates present in the Examination Hall.*

**This Paper consists of 11 printed pages and 1 blank page.**

**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 question, write the correct answers only.)

- (i) In economics, what does the *capital* earn as income?
- (a) Wages
  - (b) Rent
  - (c) Profit
  - (d) Interest
- (ii) Which of the following are examples of *substitute* goods?
- (a) Coke and Coffee
  - (b) Pencil and Eraser
  - (c) Tea and Sugar
  - (d) Apple iPhones and Samsung Smart Phones
- (iii) **Assertion (A):** Mr. Gupta earns a fixed income every month, but he tends to get adversely *affected during* inflation.
- Reason (R):** The prices of goods, services and the cost of living, does not rise in the same proportion as income, during inflation.
- (a) Both (A) and (R) are true and (R) is the correct explanation of (A).
  - (b) Both (A) and (R) are true but (R) is not the correct explanation of (A).
  - (c) Both (A) and (R) are false.
  - (d) (A) is false and (R) is true.

- (iv) Amit buys 1 kg of mangoes at ₹120 per kg. *Other things remaining constant*, when the price of mangoes falls to ₹90 per kg, he buys 2 kg of mangoes. Amit's choice in the given situation shows which concept?
- (a) Demand schedule
  - (b) Market demand
  - (c) Contraction of demand
  - (d) Expansion of demand
- (v) The *rate of tax*, which is *uniform* for all the taxpayers, is termed as:
- (a) Progressive
  - (b) Proportional
  - (c) Regressive
  - (d) Direct
- (vi) Which factor will be responsible for 'product diversification' *through innovation*?
- (a) Labour
  - (b) Entrepreneur
  - (c) Capital
  - (d) Landowner

(vii) **Statement 1:** The *primary function* of money is to act as a 'store of value'.

**Statement 2:** Money helps in *monetary expression* of the market value of the commodity.

- (a) Both Statement 1 and Statement 2 are true.
- (b) Both Statement 1 and Statement 2 are false.
- (c) Statement 1 is true and Statement 2 is false.
- (d) Statement 1 is false and Statement 2 is true.

(viii) BIS *stands* for:

- (a) Bureau of Indian States
- (b) Bureau of Indian Standards
- (c) Bureau of Indian System
- (d) Bureau of Indian Solutions

(ix) Study the table and *examine* the relation between price and quantity supplied:

Price (₹)	Quantity supplied (kgs)
10	5
12	7
14	9

- (a) Positive
- (b) Negative
- (c) Indirect
- (d) Proportional

(x) Which market structure has the *least* number of sellers?

- (a) Oligopoly
- (b) Monopolistic competition
- (c) Monopsony
- (d) Perfect competition

(xi) Direct taxes are *regressive* in nature.

- (a) True
- (b) False

(xii)



The above image depicts stages of \_\_\_\_\_.

- (a) Capital formation
  - (b) Capital returns
  - (c) Capital movement
  - (d) Investment of savings
- (xiii) Radhika cannot postpone her demand for woollen clothes during winter season but at the same time *can postpone* her demand for a car. This is because her demand for woollen clothes is:
- (a) Elastic
  - (b) Inelastic
  - (c) Highly Elastic
  - (d) Unit Elastic

(xiv) Study the relationship in the first pair of words and complete the second pair.

1. Revenue earned by the government through railway fares : Commercial revenue

2. Revenue earned through Special Assessment : \_\_\_\_\_

- (a) Direct tax
- (b) Indirect tax
- (c) Administrative
- (d) Commercial

(xv) Efficiency of labour shows the *productive capacity* of a labourer, whereas *division of labour* shows \_\_\_\_\_ of labour.

- (a) Specialisation
- (b) Utilisation
- (c) Quantity
- (d) Perishability

(xvi) Identify the *type of debt* raised by the government for organising relief camps during natural disasters.

- (a) Productive
- (b) Unproductive
- (c) Gross
- (d) Funded

## Question 2

(i) Explain *capital* as a factor of production. [2]

(ii) *There is a positive correlation between entrepreneurship and economic development.* [2]

Justify the statement with two suitable reasons.

(iii) What is *extension of supply*? [2]

(iv) [2]



Identify and explain the *type of division* of labour shown in the above images.

## Question 3

(i) How was *Standard of Deferred payment* a problem for Barter System of Exchange? [2]

(ii) The following image shows, *'Tolls as a source of revenue for State as well as Central government.'* [2]

Identify and explain the *type of revenue* mentioned in the above statement.



- (iii) State *one* difference between *Cash Reserve Ratio (CRR)* and *Statutory Liquidity Ratio (SLR)*. [2]
- (iv) Explain the term *revenue expenditure*. [2]

#### Question 4

- (i) '*Mobile phone and laptop are examples of composite demand.*' [2]  
Justify the statement with a suitable reason.
- (ii) Why is capital considered to be '*result of past savings*'? [2]
- (iii) What is the implication of '*restricted entry of new firms*' in a monopoly market? [2]
- (iv) A shopkeeper adds *brick powder to chilli powder and he colours different vegetables with harmful dyes to make them look bright and fresh.* [2]  
*Identify* the concept expressed in the above statement and *mention* the consumer right which has been violated.

#### SECTION B (40 Marks)

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

#### Question 5

- (i) (a) Define *inflation*. [5]
- (b) Write *any three causes* of '*Cost Push Inflation*'.
- (ii) State and explain *any five merits* of Indirect taxes. [5]

**Question 6**

- (i) The following table represents increase in demand, answer the following questions: [5]

Price (₹)	Quantity demanded (kgs)
10	5
10	7

- (a) Give a *diagrammatic representation* based on the above data.  
(b) Explain *any two factors* that affect increase in demand.
- (ii) (a) Mention *any two features* of COPRA 2019. [5]  
(b) State and explain *any three reasons* why consumers are exploited by retailers or producers.

**Question 7**

- (i) RBI's latest demonetisation measure was declared on 19<sup>th</sup> May 2023. As per RBI's 'clean note' policy, it withdrew all ₹2,000 notes from circulation. [5]

In context of the above statement answer the following questions:

- (a) What is *demonetisation*?  
(b) State *any three objectives* of demonetisation.

(ii)



[5]

- (a) Identify and define the market structure depicted in the above image.
- (b) Give three differences between Perfect Competition Market and Oligopoly market.

### Question 8

- (i) (a) Explain the term *supply*. [5]
- (b) Give a *diagrammatic representation* of Relatively Elastic Supply.
- (ii) Explain any five characteristics of land. [5]

### Question 9

- (i) (a) Explain the *overdraft facility* given by a commercial bank. [5]
- (b) State any three differences between Demand deposits and Fixed deposits.
- (ii) Explain any five *determinants* affecting demand for goods. [5]

**Question 10**

(i) What factors contribute to the *lower efficiency* of labour in India as compared to the developed nations? [5]

(ii) Read the extract and answer the following questions. [5]

*The Central Bank of a country is called 'central' because it is the apex institution of the entire banking system of the country. The Central Bank has a very important role in 'stabilising' the economy. All the other banks in the economy are subject to control from this bank. The Central Bank itself is subject of the overall control of the government.*

(a) '*RBI provides a convenient and economical device for settling interbank claims.*'

Justify the statement with a valid reason.

(b) Why is Central Bank called as a '*Lender of last resort*'?

(c) What is *bank rate*?