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Time : 3 Hours**ECONOMICS****Subject Code**

H	4	6	5	2
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Total No. of Questions : 36**(Printed Pages : 11)****Maximum Marks : 80**

- INSTRUCTIONS :**
- (i) All questions in both sections are compulsory.
 - (ii) Marks for each question are indicated against each to the right.
 - (iii) Question Nos. **1-8** and **19-26** are objective type questions (Multiple Choice Questions) carrying **1** mark each. Select the correct answer from the alternative given below the statement.
 - (iv) Question Nos. **9-12** and **27-30** are short answer type carrying **2** marks each. Answer should be around **40** words each.
 - (v) Question Nos. **13-15** and **31-33** are also short answer type carrying **3** marks each. Answer should be around **60** words each.
 - (vi) Question Nos. **16-18** and **34-36** are long answer type carrying **5** marks each. Answer should be around **100** words each.
 - (vii) Internal choice to be exercised in question Nos. **15, 18, 33** and **36**.
 - (viii) Word limit is not applicable to answer on differentiation, diagrams and those of numerical nature.
 - (ix) All diagrams should be drawn in black lead pencil only.
 - (x) Use of any calculating device is not allowed.

Section A

1. In the given set of the consumption bundles (11, 12), (12, 12), (12, 13), (13, 13) of two goods, the monotonic preference of the consumer will be 1
 - (11, 12)
 - (12, 12)
 - (12, 13)
 - (13, 13)
2. There is an inverse relation between income of the consumer and demand for a commodity such good is called 1
 - Normal Good
 - Inferior good
 - Substitute good
 - Complementary good
3. When percentage change in quantity demanded of a commodity is more than percentage change in its price than price elasticity of demand is 1
 - Unitary elastic demand
 - Relatively inelastic demand
 - Relatively elastic demand
 - Perfectly elastic demand

4. The cost per unit of output produced by a firm is called 1
- Average cost
 - Marginal cost
 - Average variable cost
 - Average fixed cost
5. The change in total revenue earned by a firm on account of sale of an additional unit of output during a given period of time is called 1
- Marginal Revenue
 - Total Revenue
 - Average Revenue
 - Total Profit
6. When a proportionate increase in total output is more than a proportionate increase in inputs then this stage of production is called 1
- Constant returns to scale
 - Increasing returns to scale
 - Decreasing returns to scale
 - Negative returns

7. If an increase in quantity demanded is equal to an increase in quantity supplied then equilibrium price and equilibrium quantity will show 1

- Price increases quantity remains constant
- Quantity decreases and price remains constant
- Price decreases and quantity remains constant
- Quantity increases and price remains constant

8. A doctor having his medical clinic in a remote village charge different fees to different patient then it is a feature of 1

- Monopolistic competition
- Perfect competition
- Oligopoly
- Monopoly

9. A consumer spends his entire income of ₹ 60 on consumption of two goods : Good-X and Good-Y. The market price of Good-X is ₹ 10 per unit and Good Y is ₹ 20 per unit. Prepare the budget set of the consumer. 2

10. Explain the following central problems of an economy : 2
- (a) How to produce ?
- (b) For whom to produce ?
11. Explain any *two* determinants of demand. 2
12. Draw a suitable neat labelled diagram to show change in supply curve in the following situation : 2
- (a) Government has raised excise duties on the production of liquor.
- (b) A firm is able to get cheap raw material for its production activities.
13. When market price of the particular commodity rises from ₹ 50 per unit to ₹ 60 per unit and quantity demanded falls from 1000 units to 800 units calculate price elasticity of demand by using percentage method. 3
14. Explain determination of equilibrium price under perfect competition with the help of neat labelled diagram. 3

15. What is meant by the following terms : 3

- Macro economics
- Total utility
- Indifference curve.

Or

What is meant by the following terms ?

- Micro economics
- Marginal utility
- Indifference map

16. Explain the law of supply with the help of schedule and neat labelled diagram. 5

17. Explain expansion and contraction in demand with the help of neat labelled diagram. 5

18. Explain any *five* features of Perfect Competition. 5

Or

Explain any *five* features of oligopoly.

Section B

19. A tailor is engaged in his tailoring activity at his residence only, so his income earned will be termed as 1

- Mixed income
- Compensation of employees
- Operating surplus
- Dividends

20. A candle factory has produced output worth of ₹ 50,000 with the purchase of inputs from the market worth ₹ 20,000 then value added by candle factory is 1

- ₹ 70,000
- ₹ 30,000
- ₹ 50,000
- ₹ 20,000

21. In modern times educated youth in urban areas are unable to find a suitable employment even when they are ready to work at a prevailing wage rate is called 1

- Full employment
- Voluntary unemployment
- Involuntary unemployment
- Under employment

22. The ratio of consumption expenditure to any given level of income is called 1

- Average propensity to consume
- Average propensity to save
- Marginal propensity to consume
- Marginal propensity to save

23. The situation when aggregate demand is more than aggregate supply corresponding to full employment in the economy is called 1

- Excess supply
- Excess demand
- Deficit demand
- Surplus supply

24. Miss Savita has deposited sum of ₹ 5 lakh with commercial bank for 5 years, which she cannot withdraw before stipulated time period is called 1

- Demand deposits
- Chequable deposits
- Saving deposits
- Non-chequable deposits

25. Mr. Vijay, an Indian has invested ₹ 5 lakh in the shares of multinational company in rest of the world then such transaction is referred as 1
- Foreign direct investment
 - Portfolio investment
 - Commercial borrowing
 - Domestic investment
26. India has received financial help of ₹ 1000 crores from the rest of the world for flood victims in India then such transaction is referred as 1
- Imports of goods
 - Imports of services
 - Factor payments
 - Unilateral transfers
27. State *four* components of aggregate demand. 2
28. Explain any *two* fiscal policy measures to correct the situation of excess demand. 2
29. Explain the following motives of demand for money : 2
- (a) Precautionary motive
 - (b) Speculative motive.

30. State the type of instrument of monetary policy used by the central bank of a country in the following situation : 2

(a) Central bank has fixed credit quotas to commercial bank for providing credit to small and micro enterprises in India.

(b) It is mandatory for the commercial bank to keep minimum percentage of their total deposits with the central bank.

31. What is meant by the following concepts : 3

(a) Net Factor income from Abroad

(b) Gross domestic product at market price

(c) Personable disposable income.

32. What is meant by the following terms : 3

(a) Capital Receipts of the Government budget

(b) Progressive Taxes

(c) Appreciation of Domestic Currency.

33. Explain consumption function with the help of neat labelled diagram. 3

Or

Explain saving function with the help of neat labelled diagram.

34. Explain with the help of neat labelled diagram circular flow of National income. 5
35. Explain the determination of exchange rate through demand for and supply of foreign exchange with the help of neat labelled diagram. 5
36. Explain any *five* functions of central bank. 5

Or

Explain any *five* functions of money.