



2018 VI 13

1430

Seat No. :

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Time : 2½ Hours

ECONOMICS (Old Pattern)

Subject Code

H	6	5	2
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Total No. of Questions : 8

(Printed Pages : 4)

Maximum Marks : 80

INSTRUCTIONS : i) *All questions are compulsory.*ii) *Figures to the right indicate full marks.*iii) *Part 'A' of each question is a very short answer type.*iv) *Part 'B' of each question is a short answer type I. The word limit is 20 words.*v) *Part 'C' of each question is a short answer type II. The word limit is 50 words.*vi) *Part 'D' of each question is long answer type. The word limit is around 80 words.*vii) *Use of calculating device is not allowed.*viii) *The word limit is not applicable to answers on differentiation, diagrams and questions of numerical nature.*ix) *All diagrams should be drawn in black lead pencil.*x) *Choice instructed in Q. No. 2D, 3B, 4C and 5C.*

1. A) Re-write and complete the following statement by choosing the correct alternative from those given below the statement.

The Budget line is also known as _____ [1]

- a) Indifference line b) Transformation line
c) Price line d) Consumer line

- B) What is meant by the following terms : [2]

- a) Micro Economics b) Opportunity Cost

- C) Explain the central problems of an Economy. [3]

- D) Explain the law of Diminishing Marginal utility with the help of a schedule and a neat labelled diagram. [4]

2. A) Re-write and complete the following statement by choosing the correct alternative from those given below the statement.

Car and petrol are examples of _____ [1]

- a) Substitute goods b) Normal goods
c) Complementary goods d) Inferior goods



- B) State two assumptions to the Law of Demand. [2]
- C) Calculate the price elasticity of demand using the percentage method from the following data. [3]

Price	Quantity
4	80
8	60

- D) Explain with the help of neat labelled diagrams expansion and contraction of demand. [4]

OR

Explain with the help of neat labelled diagrams increase and decrease in demand.

3. A) Re-write and complete the following statement by choosing the correct alternative from those given below the statement.
Application of 5 units of factors of production results in the product of 24 units. Introduction of the sixth additional unit increases total product to thirty. Average product in this case will be _____ [1]
- a) 30 b) 5 c) 24 d) 6

- B) What is meant by the following : [2]
- a) Production function
b) Marginal cost.

OR

What is meant by the following :

- a) Increasing return to scale.
b) Total Revenue.
- C) Draw neat labelled diagrams for the following : [3]
- a) Unitary Elastic Supply
b) Relatively Elastic Supply
c) Relatively Inelastic Supply
- D) State and explain the law of variable proportions with the help of a Schedule and a neat labelled diagram. [4]

4. A) Re-write and complete the following statement by choosing the correct alternative from those given below the statement.
A market structure which consists of a large number of sellers and buyers selling Homogenous goods is called _____ [1]
- a) Oligopoly b) Monopolistic competition
c) Duopoly d) Perfect competition



- B) Draw a neat labelled diagram for the following situation. [2]
The effect of the equilibrium price and the equilibrium quantity demanded and supplied for tea, when there is a rise in the price of coffee.
- C) Explain 3 feature of Monopoly Market. [3]

OR

- Explain 3 features of Monopolistic Competition.
- D) Explain how equilibrium price is determined in a perfectly competitive market with the help of a schedule and a neat labelled diagram. [4]
5. A) Re-write and complete the following statement by choosing the correct alternative. [1]
Gross Domestic Product is equal to GNP minus _____
a) Net income from abroad b) Net transfer payment
c) Net indirect taxes d) Depreciation
- B) Person 'A' sells his old scooter to person 'B' through person 'C' the commission agent. State the impact of this activity on the National Income. [2]
- C) A fashion designer produces garments worth Rs. 3,00,000. She spends Rs. 60,000 on fabrics, Rs. 10,000 on accessories and Rs. 20,000 on embroidery. What is the total value added on the production of garments ? [3]

OR

- The people in a certain village do not segregate the waste. They burn the garbage. Answer the following questions :
- a) Mention two effects caused to the residents of the locality.
b) State the nature of its impact on externalities.
- D) Explain the circular flow of National Income with a neat labelled diagram. [4]
6. A) Re-write and complete the following statement by choosing the correct alternative. [1]
The income level in a country has increased by Rs. 1,000 crores in a year due to the increase in investment in that country by Rs. 200 crores.
Thus the investment multiplier is _____
a) 4 b) 5 c) 6 d) 7
- B) Explain two Fiscal Policy measures to control excess demand. [2]
- C) What is meant by the following : [3]
1) Aggregate Supply
2) Private consumption expenditure
3) Marginal propensity to save
- D) Explain the consumption function with a schedule and a diagram. [4]



7. A) Re-write and complete the following statement by choosing the correct alternative. [1]
The difference between the current value of security offered for loans and the value of the loan granted is called _____
a) Margin requirements b) Rationing of credit
c) Direct action d) Moral suasion
- B) State the motive supporting liquidity preference in the following situations : [2]
1) Miss "A" requires Rs. 20 per day to pay for her travelling expenses
2) Miss "B" keeps aside Rs. 5,000 every month to attend to her father's health problems.
- C) What is meant by the following functions of the Reserve Bank of India : [3]
a) Issue of currency notes
b) Bankers Bank
c) Custodian of foreign exchange.
- D) Explain four quantitative measures used by the Reserve Bank of India to control credit in the Economy. [4]
8. A) Re-write and complete the following statement by choosing the correct alternative.
The value of Exports is Rs. 9,000 crores and the value of Imports is Rs. 5,000 crores. The balance of trade is Rs. _____ [1]
a) 3,000 crores
b) 4,000 crores
c) 5,000 crores
d) 6,000 crores
- B) State four sources of Non Tax Revenue. [2]
- C) What is meant by the following terms : [3]
1) Revenue Deficit
2) Fiscal Deficit.
3) Primary Deficit.
- D) Explain the capital account of Balance of Payments. [4]
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