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## ECONOMICS

(Two hours)

Answer 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.

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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 [ ].

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### SECTION A (40 Marks)

Attempt **all** questions from this Section

#### Question 1

- (a) Land is heterogeneous in nature. Explain. [2]
- (b) What is meant by *efficiency of labour*? Give *one* reason for low efficiency of labour in India. [2]
- (c) Mention *two* important characteristics of Capital as a factor of production. [2]
- (d) State *two* qualities of a successful entrepreneur. [2]
- (e) Mention *two* factors which gave birth to the *Consumer Movement*. [2]

#### Question 2

- (a) What are *inferior goods*? Give an example. [2]
- (b) Mention *two* reasons behind the leftward shift of a supply curve. [2]
- (c) What is meant by *Price Elasticity of Demand*? When will the Demand Curve be parallel to X-axis? [2]
- (d) Draw:
  - (i) Unitary Elastic Supply curve
  - (ii) Perfectly Inelastic supply curve [2]
- (e) Define Food Adulteration. Name *two* health problems caused due to adulterated food. [2]

### Question 3

- (a) Mention *two* merits of direct tax. [2]
- (b) What is *public expenditure*? [2]
- (c) What is meant by productive and unproductive debt? [2]
- (d) State *two* differences between *progressive* and *proportional* taxation. [2]
- (e) Where should the consumer go to get justice? [2]  
Mention *two* consumer rights.

### Question 4

- (a) State *two* primary functions of money. [2]
- (b) What is meant by double co-incidence of wants? [2]
- (c) Mention *two* advantages of a bank account. [2]
- (d) Briefly explain *Creeping* and *Hyper* inflation. [2]
- (e) Which section of society gains due to inflation? Why? [2]

## SECTION B (40 Marks)

Attempt **any four** questions from this Section

### Question 5

- (a) Explain *five* reasons for the low rate of capital formation in India. [5]
- (b) What is meant by *division of labour*? Explain *two* advantages and *two* disadvantages of division of labour. [5]

### Question 6

- (a) Define *demand*. Explain any *four* factors affecting the demand for a commodity. [5]
- (b) Distinguish between *contraction of supply* and *decrease in supply* with the help of diagrams. [5]

**Question 7**

- (a) Give *five* reasons for the growth of public expenditure in recent times. [5]
- (b) What is a *tax*? Explain *two* merits and *two* demerits of progressive tax structure. [5]

**Question 8**

- (a) Define *money*. Explain various stages in the evolution of money. [5]
- (b) Explain *five* measures adopted by the Central Bank to control inflation. [5]

**Question 9**

- (a) Give *five* ways by which the consumers are exploited? [5]
- (b) Explain the following rights given to consumers:
- (i) Right to be informed.
  - (ii) Right to choose. [5]

**Question 10**

- (a) Explain *five* circumstances under which the law of demand does not operate. [5]
- (b) State *five* differences between the *Central Bank* and a *Commercial Bank*. [5]