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.

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 [ ].

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 [2]
   (ii) Perfectly Inelastic supply curve [2]
(e) What is the R T I Act? When was it enacted? [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? Mention two consumer rights. [2]

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]

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. [5]
   (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]