

## 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
  - (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]
- (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]