

ICSE Board
Class X Economics
Board Paper – 2013

Time: 2 hrs

Total Marks: 80

General Instructions:

1. *Answers to this paper must be written on the paper provided separately.*
 2. *You will **not** be allowed to write during the first **15** minutes.*
This time is to be spent in reading the question paper.
 3. *The time given at the head of the paper is the time allotted for writing the answers.*
 4. *Attempt **all** questions from **Section A** and **any four** questions from **Section B**.*
 5. *The intended marks of 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

State whether the following statements are true or false. Give reasons.

- a) State two advantages of opening a bank account. [2]
- b) What is the difference between impact of taxation and incidence of taxation? [2]
- c) Define cost-push inflation. State two factors causing it. [2]
- d) The bus fare between two cities is reduced. How will this affect the demand curve for bus travel between the two cities? [2]
- e) Distinguish between real capital and debt capital with the help of suitable examples. [2]

Question 2

- a) State Distinguish between simple division of labour and complex division of labour? [2]
- b) What is meant by expenditure tax? Give an example. [2]
- c) How does money solve the problem of lack a common measure of value that existed under the barter system? [2]
- d) How does the nature of a good affect its elasticity of demand? [2]
- e) Mention two agency function of a Commercial bank. [2]

Question 3

- a) Mention two causes of low efficiency of labour in India. [2]
- b) Mention any two forms of consumer exploitation. [2]
- c) Define public debt. [2]
- d) Indirect taxes are regressive in nature. How can they be made progressive? [2]
- e) Distinguish between demand deposits and fixed deposits. [2]

Question 4

- a) Indicate the degree of elasticity of a supply curve parallel to the X-axis. [2]
- b) Distinguish between creeping inflation and running inflation. [2]
- c) How does money act as standard of deferred payment? [2]
- d) Briefly explain the importance of public expenditure in the industrial development of developing countries. [2]
- e) Distinguish between statutory liquidity ratio and cash reserve ratio. [2]

SECTION II (40 Marks)

*Attempt **any four** questions from this section*

Question 5

- a) What is meant by increase in demand? Discuss any four factors affecting price elasticity of demand. [5]
- b) Define land. Explain the importance of land as a factor of production. [5]

Question 6

- a) Define supply. State the law of supply and explain it with the help of a diagram. [5]
- b) Define a consumer. Explain the importance of educating consumers of their rights. [5]

Question 7

- a) Name the institution that enjoys the monopoly of note issue in India. Briefly explain two qualitative methods of credit control adopted by this institution. [5]
- b) Define labour. Explain four important characteristic features of labour. [5]

Question 8

- a) What is meant by food adulteration? Give an example. Mention two harmful effects of food adulteration. Name any one measure formulated to prevent the problem of food adulteration in India. [5]
- b) Explain two methods adopted by Commercial banks to advance loans to the general public. [5]

Question 9

- a) Why is the income of an entrepreneur residual in nature? Discuss any three functions of an entrepreneur. [5]
- b) Distinguish between:
 - (i) Voluntary debt and compulsory debt. (ii) Regressive tax and degressive tax [5]

Question 10

- a) Define a tax. Explain briefly two merits and two demerits of direct taxes. [5]
- b) What is inflation? Discuss the effects of inflation on:
 - (i) Fixed income groups (ii) Producers. [5]