
ECONOMICS

(Two Hours)

Answers 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) With the help of an example explain the term inferior goods. [2]
- (b) Explain the meaning of a monopoly market. [2]
- (c) Define money. [2]
- (d) What does productivity of land mean? [2]
- (e) Give two points of difference between revenue and capital expenditure. [2]

Question 2

- (a) In order to secure their rights what duties should be fulfilled by consumers? [2]
- (b) What is the meaning of 'food basket' in terms of inflation? [2]
- (c) Give a graphical representation of relatively elastic demand. [2]
- (d) Explain any two causes of cost push inflation. [2]
- (e) What is meant by overdraft facility offered by a commercial bank? [2]

Question 3

- (a) With the help of an example explain the measure of value function of money. [2]
- (b) Define bank rate. [2]
- (c) What are recurring deposits? [2]
- (d) Give one point of difference between cash reserve ratio and statutory liquidity ratio. [2]
- (e) What is meant by derivative deposits? [2]

Question 4

- (a) How is labor different from other factors of production? [2]
- (b) Capital is a produced means of production. Explain. [2]
- (c) Draw a supply schedule using hypothetical data. [2]
- (d) Why is direct tax unpopular among tax payers? [2]
- (e) Why is the Central Bank considered as ‘custodian of foreign reserves’? [2]

SECTION B (40 Marks)

*Attempt **any four** questions from this Section*

Question 5

- (a) Give five reasons to explain low efficiency of labour in India. [5]
- (b) (i) What do you mean by an entrepreneur? [5]
- (ii) Explain any three ways by which an entrepreneur contributes to the economic development of a country.

Question 6

- (a) Draw and explain the difference between contraction and extension in demand. [5]
- (b) Explain any five ways by which consumers are exploited by the retailers. [5]

Question 7

- (a) (i) What is meant by GST? [5]
- (ii) Give any four objectives of GST.
- (b) Differentiate between monopoly and monopolistic competition. [5]

Question 8

- (a) (i) What do you understand by hyper inflation? [5]
- (ii) Give any three effects of inflation on production.
- (b) With the help of a schedule and graph explain the law of demand. [5]

Question 9

- (a) Explain any five factors affecting supply of a commodity. [5]
- (b) State and explain any three merits and two demerits of indirect taxes. [5]

Question 10

- (a) (i) Explain the term COPRA and RTI. [5]
- (ii) Give three features of COPRA.
- (b) How is the Central Bank a 'banker to the government'? [5]