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Time : 2½ Hours

**Economics****(Revised Syllabus Pattern 2013)**

Subject Code

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| 6 | 5 | 2 |
|---|---|---|

Total No. of Questions : 8

(Printed Pages : 9)

Maximum Marks : 80

**GENERAL INSTRUCTIONS :**

- (i) All questions are compulsory.
- (ii) Figures to the right indicate full marks.
- (iii) Part A of each question is Very Short Answer Type.
- (iv) Part B of each question is Short Answer Type 1, the word limit is around 20 words.
- (v) Part C of each question is Short Answer Type 2, the word limit is around 50 words.
- (vi) Part D of each question is Long Answer Type, the word limit is around 80 words.
- (vii) The word limit is not applicable to answers on differentiations, diagrams and those of numerical nature.
- (viii) Use of any calculating device is prohibited.
- (ix) All diagrams should be drawn in black lead pencil.
- (x) Exercise internal choice instructed in Q. Nos. 3(B), 4(D), 7(B), 8(C).

1. (A) Give the *correct* economic term for the following statement : 1

A curve showing alternative production possibilities of two goods with the given resources and technique of production.

(B) What is meant by Monotonic preference ? 2

(C) Explain the Indifference Map with the help of a neat labelled diagram. 3

(D) Explain the Law of Diminishing Marginal Utility with the help of a schedule and a diagram. 4

2. (A) Complete the following statement by choosing the correct alternative given below the statement and write the completed statement : 1

The Law of Demand indicates :

- relationship between income of the consumer and quantity demanded
- relationship between price of a commodity and quantity demanded.
- relationship between price of one commodity and its substitutes
- relationship between price of two commodities.

(B) Draw neat labelled diagrams on : 2

(i) Relatively Elastic Demand

(ii) Relatively Inelastic demand.

(C) Explain any *three* factors affecting price elasticity of demand. 3

(D) Explain with the help of neat labelled diagrams, the increase in demand and decrease in demand. 4

3. (A) Give the *correct* economic term for the following statement : 1

The price of a product or per unit revenue.

(B) What is meant by the following terms ?

(i) Extension of supply

(ii) Contraction of supply.

*Or*

What is meant by the following terms ? 2

(i) Fixed costs

(ii) Variable costs.

(C) Explain any *three* determinants of supply. 3

(D) With the help of a schedule and a neat labelled diagram, explain the Law of Variable Proportions. 4

4. (A) Complete the following statement by choosing the correct alternative given below the statement and write the completed statement : 1

Price discrimination exists in :

- monopolistic markets
- monopoly market
- oligopoly market
- perfect competition.

(B) With the help of a schedule draw a neat labelled diagram showing price determination of market equilibrium under perfect competition. 2

(C) What is meant by the following terms ? 3

- (i) Cartels
- (ii) Product Differentiation
- (iii) Patent Rights

(D) Explain changes in equilibrium price with the help of neat labelled diagrams when : 4

- (i) Demand Increases, supply remains constant
- (ii) Demand Decreases, supply remains constant.

Or

Explain changes in equilibrium price with the help of a neat labelled diagrams when :

- (i) Supply increases, Demand remains constant
- (ii) Supply Decreases, Demand remains constant.

5. (A) Complete the following statement by choosing the correct alternative given below the statement and write the completed statement :

$NDP_{fc}$  is the sum total of factor incomes generated within the domestic territory of a country during an accounting year is calculated as under : 1

- $GDP_{fc}$  - depreciation
- $GDP_{mp}$  - depreciation
- $GNP_{fc}$  - depreciation
- $GNP_{mp}$  - depreciation

- (B) "The Mormugoa Port Trust (MPT) Vasco, in its reply admitted that due to lack of storage facilities for their coal in a closed shed, it has an impact on residents on that locality"

Now answer these questions.

2

(i) Mention some of the effects caused to the residents of that locality.

(ii) State the nature of its impact on externalities.

- (C) Explain any three precautions on Value Added Method while estimating National Income. 3

- (D) Explain the circular flow of Income with the help of a neat labelled diagram. 4

6. (A) Complete the following statement by choosing the correct alternative given below the statement and write the completed statement : 1

Investment multiplier (K) is calculated as :

●  $\frac{\Delta C}{\Delta Y}$

●  $\frac{\Delta Y}{\Delta C}$

●  $\frac{\Delta Y}{\Delta I}$

●  $\frac{\Delta I}{\Delta Y}$

- (B) With the help of a schedule, draw a neat labelled diagram to determine the equilibrium level of output/income (GDP) in the economy. 2
- (C) Explain the term Savings Function with the help of a neat labelled diagram. 3
- (D) Explain the interpretation of Excess demand with the help of a neat labelled diagram. 4

7. (A) Complete the following statement by choosing the correct alternative given below the statement and write the completed statement : 1

Deposits with Post Office Savings banks accounts is included in :

- $M_1$
- $M_2$
- $M_3$
- $M_4$

- (B) Mention four functions of money. 2

Mention four functions of the Central Bank.

(C) Explain the three motives of demand for money. 3

(D) Explain the quantitative measures used by Central Bank to control credit in an economy. 4

8. (A) Give the *correct* economic term for the following statement : 1

Income of the State which arises out of the property left by the people without a legal heir.

(B) The Rupee (₹) Dollar (\$) exchange rate was ₹ 55 per \$ and now it has become ₹ 60 per \$. 2

Now answer the following questions :

(i) What will be its impact on the ₹ in India ?

(ii) What will be its impact on the U.S. National who visits India ?

(C) What is meant by the following terms ? 3

(i) Deficit Budget

(ii) Balanced Budget

(iii) Surplus Budget.



What is meant by the following terms ?

(i) Managed floating

(ii) Balance of Payment

(iii) Foreign Exchange Rate.

(D) Explain the objectives of the Government Budget.