

**Subject Code**

H	6	5	2
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- INSTRUCTIONS:**
- (i) *All Questions are compulsory.*
  - (ii) *Figures to the right indicate full marks.*
  - (iii) *Part A of each question is a very short answer type*
  - (iv) *Part B of each question is a short answer type I. The word limit is 20 words*
  - (v) *Part C of each question is a short Answer type II. The word limit is 50 words.*
  - (vi) *Part D of each question is long answer type. The word limit is around 80 words.*
  - (vii) *Use of calculating device is not allowed.*
  - (viii) *The word limit is not applicable to answers on differentiation, diagrams and questions of numerical nature.*
  - (ix) *All diagrams should be drawn in black lead pencil only.*
  - (x) *Choice instructed in Q. Nos 2(D) 3(B) 5(C) & 7(C) must be exercised.*

- Q.1. (A) Give the correct economic term for the following statement: [1]
- 'A family of indifference curves'.
- (B) A consumer with a budget of Rs 50 wants to buy pen and book costing Rs 5 and Rs10 respectively, by spending the entire income. Prepare a budget set, where the entire income is spend on purchase of both the goods. [2]
- (C) What is meant by the following? [3]
- (i) Monotonic preferences.
  - (ii) Production Possibility curve.
  - (iii) Indifference curve.
- (D) Explain the law of diminishing marginal utility with the help of a schedule and a diagram. [4]
- Q.2 (A) Complete the following statement by choosing the correct alternative given below the statement and write the completed statement: [1]
- (a) A graphical representation of demand.
- (i) Demand schedule.
  - (ii) Demand curve.
  - (iii) Individual demand schedule.
  - (iv) Market demand schedule.

- (B) Draw a neat linear demand curve showing price elasticity of demand by geometric method. [2]
- (C) Explain any three factors affecting price elasticity of demand. [3]
- (D) Explain with the help of a neat labelled diagram, the increase in demand and decrease in demand. [4]

**OR**

Explain with the help of neat labelled diagram the extension of demand and the contraction of demand.

Q.3 (A) Complete the following statement by choosing the correct alternative given below the statement and write the completed statement: [1]

(a) The 'M.P' of a factor when 'T.P' is maximum.

(i) Increasing

(ii) Decreasing.

(iii) Zero.

(iv) Negative

(B) Draw neat labelled diagrams for the following- [2]

(i) Unit elastic supply.

(ii) Relatively elastic supply.

**OR**

Draw neat labelled diagrams showing-

(i) An increase in supply.

(ii) A decrease in supply.

(C) Calculate elasticity of supply using percentage method with help of the following data-

[3]

Price ( ₹ )	Quality Supplied
5	50
10	100

(D) Explain the law of variable proportions with the help of a neat labelled diagram. [4]

Q.4 (A) Give the correct economic term for the following statement. [1]

A market structure where there is a single seller.

(B) What is meant by monopolistic competition? [2]

(C) Explain any three features of perfect competition. [3]

(D) Explain how equilibrium price is determined under perfect competition with the help

of a schedule and a neat labelled diagram. [4]

Q.5 (A) Complete the following statement by choosing the correct alternative given below the statement and write the completed statement. [1]

Income from property and entrepreneurship is called.

- Compensation of employees.
- Operating surplus.
- Undistributed profits.
- Mixed income.

(B) 'G.D.P. cannot be considered as good indicator of welfare of a country'. Justify by giving two points. [2]

(C) Explain any three precautions of value added method while estimating national income. [3]

**OR**

Explain any three precautions of income method while estimating national income.

(D) Explain the circular flow of income with the help of a neat labelled diagram. [4]

Q6 (A) Give the correct economic term for the following statement. [1]

The ratio of consumption expenditure to any particular level of income.

- (B) What is meant by marginal propensity to consume? [2]
- (C) Explain the term savings function with the help of a neat labelled diagram. [3]
- (D) Explain any two fiscal policy measures to correct situation of excess demand and deficient demand. [4]
- Q.7 (A) Give the correct economic term for the following statement- [1]
- Exchange of goods for goods.
- (B) What is meant by the following? [2]
- (i) Time deposits.
- (ii) Demand deposits.
- (C) Explain any three motives for holding money. [3]

**OR**

Explain any three functions of money.

- (D) Explain the primary functions of commercial banks. [4]
- Q.8 (A) Give the correct economic term for the following statement- [1]
- A statement of the estimates of government receipts and government payment during the period of the financial year.

(B) If the value of the U.S.A dollar to Indian rupee appreciates, then how will it affect our foreign trade.

[2]

(C) What is meant by the following?

[3]

(i) Wider band

(ii) Crawling peg

(iii) Managed floating.

(D) Explain the objectives of government budget.

[4]

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