

DAY — **13**

SEAT NUMBER

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2022 VIII 05

1030

**J-620**

(E)

## ECONOMICS (49)

Time : 3 Hrs.

(7 Pages)

Max. Marks : 80

- Notes :*
- (1) All questions are compulsory.
  - (2) Draw neat tables / diagrams wherever necessary.
  - (3) Figures to the right indicate full marks.
  - (4) Write answers to all main questions on new pages.

**Q. 1. (A)** Choose the correct option :

(5) [20]

(i) The branch of economics that deals with the allocation of resources :

- (a) Micro economics
- (b) Macro economics
- (c) Econometrics
- (d) Monetary economics

Options : (1) a, b, c                      (2) a, b  
(3) only 'a'                              (3) None of these

(ii) Classification of markets is done on the basis of place :

- (a) Local market, National market, International market
- (b) Very short period market, Local market, National market

(c) Short period market, National market, International market

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(d) Local market, National market, Short period market.

Options : (1) a, b, c                      (2) b, c, d  
(3) Only 'a'                              (3) a, d

(iii) Statements that are incorrect in relation to index numbers:

- (a) Index number is a geographical tool.
- (b) Index numbers measure changes in the air pressure
- (c) Index numbers measure relative changes in an economic variable.
- (d) Index numbers are specialized averages.

Options : (1) c, d                              (2) a, b  
(3) b, c                                      (4) a, b, c, d

(iv) Non-tax sources of revenue :

- (a) Direct and indirect tax
- (b) Direct tax and fees
- (c) Fees
- (d) Special levy

Options : (1) b, c                              (2) a, c  
(3) a, b, c, d                              (3) c, d

(v) Methods of quantitative credit control :

- (a) Bank rate
- (b) Open market operation
- (c) Cash reserve ratio
- (d) Credit rationing

Options : (1) a, b, c                              (2) b, c, d  
(3) a, b, d                                      (4) a, c, d

(B) Complete the correlation : (5)

(i) Micro economics :  :: Macro economics : Forest.

(ii) Price and demand for normal-good : Inverse relationship : : Giffen goods :

(iii) Perfect competition :  :: Monopoly : Single seller.

(iv) Total revenue :  :: Average revenue :

$$\frac{\text{Total Revenue}}{\text{Total Quantity}}$$

(v) Output method :  :: Income method : Factor cost method.

(C) Find the odd word out : (5)

(i) Types of elasticity of demand - Price elasticity, Income elasticity, less elastic, cross elasticity.

(ii) External debt - Foreign banks, World bank, International monetary fund, Central bank.

(iii) Organised sector - Money lender, Commercial bank, Co-operative Bank, Reserve Bank of India.

(iv) Transfer income - Pension, unemployment allowance, wages, gifts

(v) Types of foreign trade - Local trade, Import trade, Export trade, Entrepot trade.

(D) Complete the following statements : (5)

(i) The relationship between demand for a good and price is \_\_\_\_\_.

- (a) direct
- (b) inverse
- (c) no effect
- (d) can be direct and inverse

(ii) Demand curve is parallel to 'X' axis in case of \_\_\_\_\_.

- (a) Perfectly elastic demand
- (b) Perfectly inelastic demand
- (c) Relatively elastic demand
- (d) Relatively inelastic demand

- (iii) A rightward shift in supply curve shows :
- (a) Contraction of supply
  - (b) Decrease in supply
  - (c) Expansion of supply
  - (d) Increase in supply
- (iv) Trade of goods and services within the geographical boundaries of a nation :
- (a) International trade
  - (b) Internal trade
  - (c) Currency trade
  - (d) Inter-continental trade
- (v) Stock exchange is an important constituent of the \_\_\_\_\_.
- (a) Capital market
  - (b) Money market
  - (c) Local market
  - (d) International market

**Q. 2. (A) Identify and explain the following concepts (Any THREE) : (6) [12]**

- (i) Salma purchased sweater for her father in winter season.
- (ii) Sanket's demand for consumer goods increased by 20% due to an increase in his income by 50%.
- (iii) Anita receives monthly pension of ₹ 15,000/- from the State Government.
- (iv) John produces 5 units of mobile in his factory at ₹ 50,000. When he produced the 6th unit of mobile his total cost was ₹ 58,000.
- (v) Samir paid wages to workers in his factory and interest on his bank loan.

**(B) Distinguish between (Any THREE) :** (6)

- (i) Individual demand and Market demand.
- (ii) Slicing method and Lumping method.
- (iii) Stock and Supply
- (iv) Simple index number and Weighted index number.
- (v) Direct tax and Indirect tax.

**Q. 3. Answer the following (Any THREE) :** [12]

- (i) Explain any four features of micro economics.
- (ii) Explain any four points related to the significance of index number.
- (iii) Explain any four features of monopoly.
- (iv) Explain any four points related to the role of money market in India.
- (v) Explain any four points related to the role of foreign trade.

**Q. 4. State with reasons whether you agree or disagree with the following statements (Any THREE) :** [12]

- (i) Every desire of an individual is a demand.
- (ii) There is a direct relationship between price and quantity supplied.
- (iii) Commercial bank performs various functions.
- (iv) Index numbers can be constructed without base year.
- (v) Slope of relatively elastic demand curve is steeper.

Q. 5. Study the following table, figure, passage and answer the questions given below it (Any TWO) :

[8]

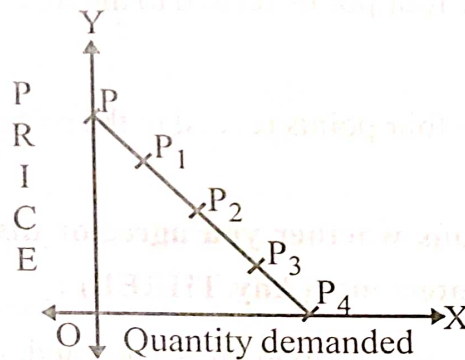
(i) (4)

Price of Apple [Per Kg ₹]	Demand [Per Kg]	Supply [Per Kg]
100	50	10
200	<input type="text"/>	20
<input type="text"/>	30	30
400	20	<input type="text"/>
500	<input type="text"/>	50

(1) Complete the above table. (2)

(2) Draw an equilibrium price determination diagram based on the above table. (2)

(ii) Following diagram is a linear demand curve. On the basis of the given diagram answer the following questions : (4)



(1) Demand at point 'P<sub>2</sub>' is relatively inelastic. Is this statement true or false? (1)

(2) Identify the elasticity of demand at point 'P'. (1)

(3) What is denoted on 'X' axis in the above diagram? (1)

(4) Which method of measuring elasticity of demand is denoted in the above diagram? (1)

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- (iii) As per a survey conducted by Galaxy Enterprise it was observed that in Panji there was an increase in the demand for biscuits. This was due to the change in people's taste and habits. (4)

Considering this an opportunity, the Galaxy enterprise borrowed capital from the 'Bank of India,' purchased wheat from the farmers and started producing biscuits. The company had a competition from Andromeda Foods Ltd. a producer of cream biscuits. One more research conducted by the Galaxy Enterprise made them realise that with the rise in demand for biscuits, the demand for tea also has increased.

Galaxy Enterprise started a chain of tea shops in Panji with an intention of creating competition to Andromeda.

- (1) Find out the examples of types of demand from the above passage :
- (a) Direct demand (1)
- (b) Indirect demand (1)
- (2) Give your opinion with reference to above passage. (2)

**Q. 6. Answer the following questions in detail (Any TWO) : [16]**

- (i) State and explain the law of diminishing marginal utility with exceptions.
- (ii) Explain the concept of National income and explain the features of National income.
- (iii) Explain various reasons for the growth of public expenditure.

