

ECO

MARKS: 80

TIME: 3 HOURS

**NOTE:-**

- 1) All questions are compulsory.
- 2) Draw tables and diagrams wherever necessary
- 3) Figures to the right indicate full marks
- 4) Write answers to all main questions on a new page

**Q.1.A. Assertion and Reasoning type of questions:-**

(5)

[20]

1. **Assertion(A):** Cardinal measurement of utility is not possible.

**Reasoning(R):** Utility is a psychological concept.

**Options:**

1. (A) is True and (R) is False
2. (A) is False and (R) is True
3. Both (A) and (R) are True and (R) is the correct explanation of (A)
4. Both (A) and (R) are True and (R) is not the correct explanation of (A)

2. **Assertion(A):** The slope of demand curve is a rectangular hyperbola in case of perfectly inelastic demand.

**Reasoning(R):** In unitary elastic demand, percentage change in price leads to a proportionate change in quantity demanded.

**Options:**

1. (A) is True and (R) is False
2. (A) is False and (R) is True
3. Both (A) and (R) are True and (R) is the correct explanation of (A)
4. Both (A) and (R) are True and (R) is not the correct explanation of (A)

3. **Assertion(A):** Generally, arithmetic mean is used in the construction of index numbers.

**Reasoning(R):** Arithmetic mean is simple to compute compared to other averages.

**Options:**

1. (A) is True and (R) is False
2. (A) is False and (R) is True
3. Both (A) and (R) are True and (R) is the correct explanation of (A)
4. Both (A) and (R) are True and (R) is not the correct explanation of (A)

4. **Assertion(A):** Transfer payments are not included in national income.

**Reasoning(R):** Unpaid services are included in national income.

**Options:**

1. (A) is True and (R) is False
2. (A) is False and (R) is True
3. Both (A) and (R) are True and (R) is the correct explanation of (A)
4. Both (A) and (R) are True and (R) is not the correct explanation of (A)

5. **Assertion(A):** Foreign trade is trade between different countries of the world.

**Reasoning(R):** Foreign trade includes import trade, export trade and entrepot trade.

**Options:**

1. (A) is True and (R) is False
2. (A) is False and (R) is True
3. Both (A) and (R) are True and (R) is the correct explanation of (A)
4. Both (A) and (R) are True and (R) is not the correct explanation of (A)

**Q.1 B. Complete the Correlation: -**

(5)

1. Microeconomics: **Slicing method** :: Macroeconomics :
2. Car and fuel:  :: Tea or Coffee : **Competitive demand**
3. Perfect competition: **Price takers** ::  : **Price maker**
4.  : **Protection from external attacks** :: **Optional function** : **Provision of social security**
5. Money market : **Short term funds** :: Capital market :

**Q.1.C. Give economic term: -**

(5)

1. Utility is created **due to a change** in the shape or **structure of an existing material**.
2. Change in **quantity demanded of one commodity due to a change in the price of other commodity**.
3. **Net addition made to total cost by producing one more unit of output**.
4. Goods which are **involved in the process of producing final goods**.
5. It is paid in return **for certain specific services rendered by the government**.

**Q.1.D. Find the odd word: -**

(5)

1. Importance of **Micro Economics**:- Price determination, Foreign Trade, National Income, Business Decisions
2. Exception to the **Law of Demand**:- Giffen's paradox, Price illusion, Prestige goods, Agricultural goods
3. Determinants of **Supply**:- Price of commodity, Consumer's income, State of technology, Infrastructural facility.
4. Natural Monopoly: - Climate, Trademark, Rainfall, **Specific Location**
5. Development of **New ports**:- Cochin ,Kandla, Chennai, Nhava Sheva

**Q.2.A Identify and Explain the concepts: - (ANY 3)**

(6)

[12]

- i) Rima collected information about the income & expenditure of ten families from his locality.
- ii) Aarav's demand for salt remained unchanged in spite of a 15% rise in its price.
- iii) Indira Cosmetics produces unique wooden hair comb which has no close substitutes.
- iv) Simran collected data regarding the money value of all final goods & services produced in the country for the financial year 2021-2022.
- v) Krishna deposits a fixed amount of Rs.10,000/- at regular intervals for a specified period of time.

**Q.2.B. Distinguish between:- (ANY 3)**

(6)

- 1) Partial equilibrium and General equilibrium
- 2) Individual demand and Market demand
- 3) Public Monopoly and Private Monopoly
- 4) Simple index number and Weighted index number
- 5) Surplus Budget and Deficit Budget

**Q.3. Answer the following:- (ANY 3)**

[12]

- 1) Explain any four exceptions to the law of supply.
- 2) Calculate Price Index number from the given data:

Commodity	A	B	C	D
Prices in 2010(Rs.)	20	60	100	40
Prices in 2015(Rs.)	30	80	130	60

- 3) Explain the two sector model of circular flow of national income.
- 4) Explain the role of Indian Capital Market (any four).
- 5) Explain the role of foreign trade (any four).

**Q.4. State with reasons whether you Agree or Disagree with the following statements:-**  
**(ANY 3)** [12]

- 1) Macroeconomics is different from Microeconomics.
- 2) There are no exceptions to the law of diminishing marginal utility.
- 3) There is a direct relationship between price and quantity supplied.
- 4) There is product differentiation under perfect competition.
- 5) Index numbers are free from limitations.

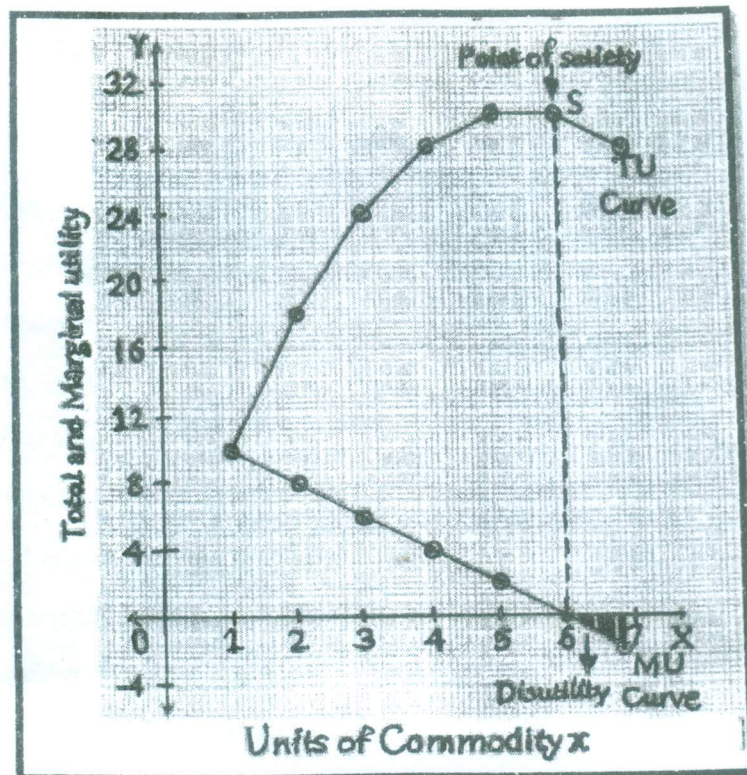
**Q.5. Study the following table, diagram, passage and answer the questions given below it:-**  
**(ANY 2)** [8]

1)

Components	In crores
Consumption	800/-
Investment	700/-
Government Expenditure	400/-
Net export (X-M)	-150/-
Net receipts(R-P)	-50/-
Depreciation	200/-

- i) Calculate GNP (Gross National Product) on the basis of above table. (2)
- ii) Calculate NNP (Net National Product) on the basis of above table. (2)

2)



- i) Name the unit where consumer will be derived disutility \_\_\_\_\_ (1)
- ii) Explain <sup>the</sup> point of satiety. (1)
- iii) When total utility falls, marginal utility becomes \_\_\_\_\_ (1)
- iv) Name the unit where consumer will derive maximum satisfaction \_\_\_\_\_ (1)

3) SEBI (Securities and Exchange Board of India) set up in 1988 was given statutory recognition in 1992 on recommendations of the Narasimhan Committee. The Board of SEBI comprises nine members excluding the chairman-one member each from the Ministries of Finance and Law, one member from the RBI and two other members appointed by the central government. It has four full-time members (including the chairman). The headquarters of SEBI is situated in Mumbai and the regional offices are located in Ahmedabad, Kolkata, Chennai and Delhi.

SEBI controls activities of stock exchanges, safeguards the rights of shareholders and also guarantees the security of their investment. It also aims to check fraudulence by harmonising its statutory regulations and self-regulating business. The regulator also enables a competitive professional market for intermediaries.

Merchant banking has been statutorily brought under the regulatory framework of SEBI. SEBI has stipulated that Permanent Account Number (PAN) would be the sole identification number for all participants in the securities market, irrespective of the amount of transaction. By improving market efficiency, enhancing transparency, and preventing unfair trade practices, SEBI has succeeded to a considerable extent in bringing up the Indian market to international standards.

- i) Name the Committee recommended statutory recognition to SEBI. (1)
- ii) Explain the structure of SEBI. (1)
- iii) Mention the functions of SEBI. (1)
- iv) Give your opinion with reference to above passage. (1)

**Q.6. Answer in detail:- (ANY 2)**

[16]

- 1) Explain the concepts of Variation and changes in demand with help of diagrams.
- 2) Explain the concept of price elasticity of demand and its types.
- 3) Explain the concept of public revenue and its sources.