



BOARD QUESTION PAPER : JULY 2018

ECONOMICS

Time: 3 Hours**Max. Marks: 80****Note:**

- (1) All questions are compulsory.
- (2) Draw tables / 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) Fill in the blanks using proper alternatives given in the brackets: (5)[16]

- (1) Micro economics is also called as _____ theory.
(Income / Price / Growth / Employment)
- (2) Income elasticity of demand for inferior goods is _____.
(positive / negative / zero / greater than one)
- (3) The part of income, which is not spent on consumption is called _____.
(expenditure / saving / investment / public debt)
- (4) _____ is an example of direct tax.
(Excise duty / Wealth tax / Sales tax / Gifts)
- (5) Every loan creates a _____.
(credit / deposit / profit/loss)

(B) Match the correct pairs: (5)

	Group "A"		Group "B"
1.	Production	a.	Average expenditure
2.	Tea and coffee	b.	Personal income-Direct taxes
3.	Stock	c.	Substitute goods
4.	Disposable income	d.	Central bank
5.	Credit control	e.	Complementary goods
		f.	Potential supply
		g.	Commercial bank
		h.	Creation of utility

(C) State whether the following statements are True or False: (6)

- (1) Demand for luxurious goods is elastic.
- (2) Supply is indirectly related to price.
- (3) Metallic coins are easily portable than paper notes.
- (4) In a monopoly market, firm and industry are the same.
- (5) Commercial banks are the backbone of modern economy.
- (6) The main objective of the central bank is to earn profit.

Q.2. (A) Define or explain the following concepts (Any THREE): (6)[12]

- (1) Macro-economic variables
- (2) Marginal cost
- (3) Monopolistic competition
- (4) Partial equilibrium
- (5) Entrepreneur
- (6) Moral suasion



- (B) Give reasons or explain the following statements (Any THREE):** (6)
- (1) Micro economic theories are based on certain assumptions.
 - (2) Utility is a subjective concept.
 - (3) Demand for necessary goods is inelastic.
 - (4) Paid services are included in national income.
 - (5) There are many subjective factors determining consumption function.
 - (6) Central bank acts as a lender of last resort.
- Q.3. (A) Distinguish between the following (Any THREE):** (6)[12]
- (1) Expansion of demand and Contraction of demand
 - (2) Micro economics and Macro economics
 - (3) Output method of measuring national income and Income method of measuring national income
 - (4) Commodity money and Metallic money
 - (5) Deficit budget and Balanced budget
 - (6) Individual supply and Market supply
- (B) Write short notes (Any TWO):** (6)
- (1) Features of micro economics
 - (2) Ratio method of measuring price elasticity of demand
 - (3) Types of monopoly
 - (4) Qualities of an entrepreneur
- Q.4. Answer the following questions (Any THREE):** [12]
- (1) Explain the types of utility.
 - (2) What are the features of perfect competition?
 - (3) What is the subject matter of Macro economics?
 - (4) State the objective factors determining consumption function.
 - (5) Explain various types of deposit.
 - (6) What are the sources of non-tax revenue?
- Q.5. State with reasons, whether you 'agree' or 'disagree' with the following statements (Any THREE):** [12]
- (1) There are no real exceptions to the law of diminishing marginal utility.
 - (2) Many factors influence the demand for a commodity.
 - (3) Barter system did not have any difficulty.
 - (4) Price is the only determinant of supply.
 - (5) Commercial banks perform many general utility services.
 - (6) Central bank works as a banker to the government.
- Q.6. Write explanatory answers (Any TWO):** [16]
- (1) Explain the Law of Demand with its exceptions.
 - (2) What is price elasticity of demand? Explain the types of price elasticity of demand.
 - (3) Explain the practical (statistical) difficulties involved in the estimation of national income.
 - (4) What is 'aggregate supply'? Explain the determinants of aggregate supply.