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HS/XII/A. Com/Ec/13

2 0 1 3

ECONOMICS

Full Marks : 100

Time : 3 hours

The figures in the margin indicate full marks for the questions

General Instructions :

- (i) Write all the answers in the Answer Script.
- (ii) Attempt Part—A (Objective Questions) serially.
- (iii) Attempt all parts of a question together at one place.

(PART : A—OBJECTIVE)

(Marks : 40)

SECTION—I

(Marks : 20)

A. Choose and write the correct answer of the following
from the given alternatives : 1×10=10

1. The branch of economic theory that studies the behaviour of individual decision-makers in the economy is called
 - (a) macroeconomics
 - (b) microeconomics
 - (c) nanoeconomics
 - (d) econometrics

(2)

2. When total utility is maximum, marginal utility is
 - (a) negative
 - (b) equal to one
 - (c) zero
 - (d) greater than one

3. Which of the following is not an item of fixed cost?
 - (a) Rent of the factory building
 - (b) Cost of raw materials
 - (c) Interest on borrowed capital
 - (d) Normal earning of the management

4. Which of the following is not a feature of a perfectly competitive market?
 - (a) Perfect mobility of the factors of production
 - (b) Freedom of entry and exit
 - (c) Perfect knowledge of the prevailing market conditions
 - (d) Existence of a single producer or seller

5. When more land is used to produce more output, it is called
 - (a) intensive cultivation
 - (b) subsistence farming
 - (c) extensive cultivation
 - (d) commercial farming

(3)

6. If we subtract personal direct taxes from personal income, we get
- (a) average income
 - (b) per capita income
 - (c) national income
 - (d) disposable personal income
7. A tax that can be shifted from one person to another is called
- (a) indirect tax
 - (b) income tax
 - (c) direct tax
 - (d) wealth tax
8. Which of the following is a major source of agricultural credit in India?
- (a) Commercial bank
 - (b) Cooperative credit society
 - (c) Moneylender
 - (d) Government
9. The New Economic Policy of 1991 is associated with
- (a) privatization
 - (b) globalization
 - (c) liberalization
 - (d) All of the above

(4)

10. Which of the following is a major import item of India?
- (a) Engineering goods
 - (b) Petroleum oil and lubricants
 - (c) Cotton textiles
 - (d) Handicrafts

B. Fill in the blanks with appropriate word(s) : 1×10=10

1. An economic — is liable to change.
2. A fall in price leads to an — of demand.
3. The cost of the next best alternative foregone is called — cost.
4. Interest is the price paid for the use of —.
5. NNP is equal to GNP minus —.
6. Borrowings by the government is known as public —.
7. Trade between two or more countries is known as — trade.

(5)

8. Agriculture is considered as the — of our economy.
9. A — industry is mainly operated with the help of hired labour.
10. The Eleventh Five-Year Plan covers the period from —.

SECTION—II

(Marks : 20)

C. Answer any *ten* of the following in 2 or 3 sentences each : 2×10=20

1. What is a firm?
2. What is demand?
3. Complete the following table :

| <i>Units of outputs sold</i> | <i>Total revenue</i> | <i>Average revenue</i> | <i>Marginal revenue</i> |
|----------------------------------|--------------------------|----------------------------|-----------------------------|
| 1 | 10 | — | — |
| 2 | 18 | — | — |
| 3 | 24 | — | — |
| 4 | 28 | — | — |
| 5 | 30 | — | — |

4. What is cost of production?

(6)

5. Mention two features of a perfectly competitive market.
6. What is profit?
7. Mention one point of difference between microeconomics and macroeconomics.
8. Point out two merits of a direct tax.
9. What is capital expenditure?
10. What are visible items of the balance of payments statement?
11. Point out two measures to solve the problems of Indian agriculture.
12. What is cottage industry?
13. Mention four export items of India.
14. Give the full form of LPG and FEMA.

(7)

(PART : B—DESCRIPTIVE)

(Marks : 60)

Answer **ten** questions, taking **four** from Section—I and **three** each from Section—II and Section—III

SECTION—I

1. Explain the three central problems of an economy. 6
2. How would you measure price elasticity of demand with the help of geometric method? 6
3. Distinguish between fixed cost and variable cost. State the relationship between average cost and marginal cost. 3+3=6
4. How are the equilibrium price and output determined under conditions of monopoly? 6
5. Discuss the classical theory of interest. 6
6. What are the factors that determine real wage? 6

SECTION—II

7. Explain the importance of the study of macroeconomics. 6
8. Explain the concepts of GNP, GDP and per capita income. 2+2+2=6

(8)

9. What is a tax? Explain the merits of indirect taxes. 2+4=6
10. Distinguish between (a) plan expenditure and non-plan expenditure, and (b) development expenditure and non-development expenditure. 3+3=6
11. Discuss the differences between internal trade and international trade. 6

SECTION—III

12. What is infrastructure? Explain different types of infrastructure with examples. 2+4=6
13. Explain the various sources of agricultural finance in India. 6
14. What are the main features of the Industrial Policy of 1956? 6
15. Discuss, in detail, the different items of India's import trade. 6
16. What is economic planning? Discuss the need for economic planning. 1+5=6
