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2 0 1 5

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-type Questions) serially.
- (iii) Attempt all parts of a question together at one place.
- (iv) General Candidates are not allowed to attempt the questions meant for Elementary School Teacher Candidates.

(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. Microeconomics helps in understanding
 - (a) problems of the economy as a whole
 - (b) the process of consumption, only
 - (c) the process of production, only
 - (d) individual parts of the economy

(2)

2. Consumer's equilibrium in the one-commodity case is attained when

(a) $MU_x = MU_m$

(b) $MU_x > MU_m$

(c) $MU_x < MU_m$

(d) None of the above

3. When AC is minimum, then

(a) $MC = AC$

(b) $MC > AC$

(c) $MC < AC$

(d) None of the above

4. Elasticity of demand will be unitary elastic if

(a) $E_d = 0$

(b) $E_d = 1$

(c) $E_d > 1$

(d) $E_d < 1$

5. Interest is

- (a) the price paid for the use of loanable funds
- (b) the reward for the use of capital
- (c) the reward for parting with liquidity
- (d) All of the above

6. Gross National Product (GNP) is defined as

- (a) the total income of all individuals in a country
- (b) the total output of a country in a year
- (c) the total market value of all imports and exports made in a year
- (d) the total market value of all final goods and services produced in a year

7. Balance of trade is

- (a) same with balance of payments
- (b) totally different with balance of payments
- (c) a part of balance of payments
- (d) None of the above

8. Development of infrastructure is necessary for
- (a) reducing poverty and inequality
 - (b) generation of employment opportunities
 - (c) sustained economic development
 - (d) All of the above
9. Land Development Banks are also known as
- (a) Government Banks
 - (b) Land Mortgage Banks
 - (c) Central Development Banks
 - (d) Primary Land Development Banks
10. Which of the following is the period of the Tenth Five-Year Plan?
- (a) 1992–1997
 - (b) 1997–2002
 - (c) 2002–2007
 - (d) 2007–2012

(5)

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

1. When all goods demanded just match the goods supplied, the goods market is said to be in —.
2. Demand is a desire backed by the — and — to pay.
3. The 'substitution effect' and the 'income effect' constitute the '—'.
4. The basic aim of a firm is — of profit.
5. According to Ricardo, rent arises from the — of land.
6. Macroeconomics is the study of —.
7. An excise duty is an — tax.
8. Per Capita Income for 2012 is equal to National Income in 2012 divided by — in 2012.
9. Cottage and small-scale industries are — intensive industries.
10. Foreign trade is considered as an — of growth.

(6)

SECTION—II

(Marks : 20)

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

1. State the three basic problems of an economy.
2. Distinguish between Total Utility (TU) and Marginal Utility (MU).
3. If the price of apples rises from ₹ 200 per kg to ₹ 250 per kg, the amount of apples supplied increases from 1000 kg to 1500 kg. Using the percentage method, calculate the price elasticity of supply.
4. What is meant by monopolistic competition?
5. Mention four factors which influence real wage.
6. What is budget?
7. Distinguish between Public finance and Private finance.

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8. Mention three reasons for growing public expenditure.
9. What are developmental imports?
10. Distinguish between Intensive and Extensive cultivations.
11. Mention two causes of low agricultural productivity in India.
12. Mention two important contributions of cottage and small-scale industries.
13. Give two basic objectives of the Eleventh Five-Year Plan of India.
14. Give the full forms of the following :
 - (a) NABARD
 - (b) NEP

(8)

(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. What is production possibility curve? Explain it with the help of a figure. 1+5=6
2. Explain the law of equimarginal utility. 6
3. Bring out the distinction between the following : 3+3=6
 - (a) Average Cost (AC) and Marginal Cost (MC)
 - (b) Average Revenue (AR) and Marginal Revenue (MR)
4. Define monopoly. Explain the determination of price under monopoly. 1+5=6
5. Explain the Ricardian theory of rent under intensive cultivation. 6
6. Explain the classical theory of interest. Give at least two criticisms. 5+1=6

SECTION—II

7. Examine the importance of macroeconomics. 6
8. Explain the circular flow of income in a two-sector model. 6
9. What are the merits and demerits of direct taxes?
3+3=6
10. What is deficit financing? What are the techniques of deficit financing employed in India? 1+5=6
11. Explain why nations need to trade. 6

SECTION—III

12. Distinguish between Economic and Social infrastructure. Which is more important for economic development and why? 2+4=6
13. What are the features of the Green Revolution? 6
14. What are the main features of the 1991 Industrial Policy? 6
15. What do you understand by balance of trade? What measures have the Government of India adopted to solve the adverse balance of trade? 1+5=6
16. What are the economic objectives of planning? 6

(10)

**(For Elementary School Teacher Candidates only :
In lieu of Section—II 'C')**

(Marks : 20)

Answer any *ten* of the following questions : 2×10=20

1. What are the two branches of economic theory?
2. What is market?
3. Define marginal utility.
4. Draw a demand curve.
5. Mention three factors which determine real wage.
6. What is economic rent?
7. Define average cost and average revenue.
8. State the two conditions for equilibrium of a firm.
9. Define national income.
10. Distinguish between Direct tax and Indirect tax.

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(11)

11. What is international trade?
12. Mention two causes of low productivity of agriculture in India.
13. Mention three measures adopted by the Government to solve the problems faced by small-scale industries in India.
14. Define economic planning.
