

BOARD QUESTION PAPER : MARCH 2020

ECONOMICS

Time: 3 Hours

Max. Marks: 80

Note:

- (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) Fill in the blanks using appropriate alternatives given in the brackets: (5)[16]

- (1) Micro economics is a _____ equilibrium approach.
(partial / general / total / multi-variable)
- (2) Income elasticity of demand for inferior goods is _____.
(positive / negative / zero / greater than one)
- (3) Investment made by the government is _____ investment.
(Induced / autonomous / gross / unplanned)
- (4) _____ is a primary function of commercial banks.
(Purchasing and selling securities / Accepting deposits / Safe deposit vault / Letter of credit)
- (5) When the government's revenue exceeds government's expenditure, it is known as _____ budget.
(surplus / balanced / deficit / unbalanced)

(B) Match the words from the following groups 'A' and 'B' correctly: (5)

	Group 'A'		Group 'B'
a.	Pen and ink	1.	Factor cost method
b.	Perfectly elastic supply	2.	Profit
c.	Reward of entrepreneur	3.	Joint demand
d.	Income method	4.	Interest
e.	Credit control	5.	Horizontal supply curve
		6.	Commercial bank
		7.	Vertical supply curve
		8.	Central bank

(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) Under perfect competition products are not homogeneous.
- (4) Estimation of national income is possible with the help of money.
- (5) Commercial banks are the backbone of modern economy.
- (6) Central bank does not act as a lender of last resort for the commercial banks.

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

- (1) Micro economics
- (2) Marginal cost
- (3) Natural monopoly
- (4) Entrepreneur
- (5) General equilibrium
- (6) Clearing house

- (B) Give reasons 'or' explain the following statements (Any THREE):** (6)
- (1) Micro economics is also known as price theory.
 - (2) Utility is ethically neutral.
 - (3) Demand for necessary goods is inelastic.
 - (4) Old age pension is transfer income.
 - (5) Saving is the function of income.
 - (6) As a banker to the government the central bank transfers government funds.
- Q.3. (A) Distinguish between the following terms (Any THREE):** (6)[12]
- (1) Individual demand and Market demand.
 - (2) Extension in supply and Contraction in supply.
 - (3) Slicing method and Lumping method.
 - (4) Personal income and Personal disposable income.
 - (5) Full bodied coins and Token coins.
 - (6) Direct tax and Indirect tax.
- (B) Write short notes (Any TWO):** (6)
- (1) Importance of micro economics.
 - (2) Geometric method of measuring price elasticity of demand.
 - (3) Features of pure competition.
 - (4) Qualities of an entrepreneur.
- Q.4. Answer the following questions (Any THREE):** [12]
- (1) Explain the 'law of diminishing marginal utility'.
 - (2) Explain the features of monopolistic competition.
 - (3) Explain the scope and subject matter of macro economics.
 - (4) Explain the subjective factor influencing consumption function.
 - (5) Explain the various types of loans.
 - (6) Explain capital receipts and capital expenditure as a part of capital budget.
- Q.5. State with reasons whether you 'agree' or 'disagree' with the following statements (Any THREE):** [12]
- (1) There are many features of utility.
 - (2) Many factors influence the demand for a commodity.
 - (3) There are no exceptions to the law of supply.
 - (4) There are many secondary functions of money.
 - (5) Commercial banks perform many general utility services.
 - (6) Central bank does not act as bankers' bank.
- Q.6. Write explanatory answers (Any TWO):** [16]
- (1) Explain the 'law of demand' with its assumptions.
 - (2) What is 'elasticity of demand'? Explain the type of elasticity of demand.
 - (3) What is 'national income'? Explain the theoretical difficulties involved in estimation of national income.
 - (4) What is 'aggregate supply'? Explain the factors determining of aggregate supply.