Sample Paper Y
Economics

Time 3 Hrs

M.M 100

Section A

(i) All questions are compulsory

(ii) Questions No. 1-5 and 17 – 21 are very short answer questions carrying 1 mark each.

(iii) Question No. 6-10 and 22-26 are short answer questions carrying 3 marks each.

(iv) Questions No. 11-13 and 27-29 are also short answer question carrying 4 marks each.

(v) Questions No. 14-16 and 30-32 are long – answer questions carrying 6 marks each.

(Section A)

Q.1. Define microeconomics.

Q.2. What does upward movement along demand curve indicate?

Q.3. What is a price maker firm?

Q.4. What happens to Average fixed cost when output falls?

Q.5. What do you mean by explicit cost?

Q.6. Why is production possibility curve concave to origin?

Q.7. Explain the implication of large number of sellers in a perfectly competitive market.

OR

Explain why there are only a few firms in an oligopoly market?

Q.8. Given the price of a good how does a consumer decide how many units of that good to buy.

Q.9. A consumer buy 16 units of a good at a price of Rs. 5 per unit when price rises to Rs. 8 per unit he buys 10 units calculate price elasticity through expenditure approach.

Q.10. How is the demand for a good affected by a rise in the price of other goods Explain?

Q.11. Explain the distinction between “change in quantity supplied ‘ and change in supply” use diagram.

Q.12. What do you mean by marginal rate of substitution between two goods. Why does it diminish along indifference curve?

Q.13. Complete the following table
Q. 14. Market for a good is equilibrium suppose supply of this good decreases. How will it affect equilibrium price and equilibrium quantity?

Q. 15. If the proportion of variable factor is increased keeping other factors fixed how will it affect total production. Explain with the help of TP and MP schedule.


OR

Explain three properties of indifference curve.

Section B

Q. 17. What is revenue deficit?

Q. 18. Give two examples of intermediate goods.

Q. 19. What are time deposits?

Q. 20. Why are subsidies treated as revenue expenditure?

Q. 21. What is current account deficit?

Q. 22. How is flexible exchange rate determined explain?

Q. 23. What is fiscal deficit. Give its implications?

Q. 24. Distinguish between foreign direct investment and portfolio investment. In which account of BOP are they included.

Q. 25. Differentiate between Capital Receipts and Revenue Receipts in Government Budget.

Q. 26. Explain briefly Open market operations as an instrument of monetary policy.

OR

Why central bank is also known as lender to last resort.

Q. 27. Differentiate between Real GDP and Nominal GDP, Which is a better measure of welfare and why?

Q. 28. Giving reasons, explain the treatment assigned to the following while estimating domestic income.
1. Payment of interest on borrowing by general government.

2. Rent paid to an Indian who has rented out his building to Embassy of Japan.

Q.29. Explain ‘medium of exchange’ function of money.

OR

Explain store of value function of money.

Q.30. Explain the concept of inflationary gap with the help of a diagram, How it can be combated

OR

Can there be under employment at equilibrium level of income. How it can be corrected, explain with help of a diagram.

Q.31. Explain ‘consumption function’ with the help of a diagram. Also explain the steps of determining saving curve from consumption curve.

Q.32. Calculate ‘national income’ and personal disposable income from the following.

1. Compensation of employees 2400
2. Rent 800
3. Profit 1600
4. Consumption of fixed capital 600
5. Mixed income of self employed 2000
6. Private income 7200
7. Net factor income from Abroad (-100)
8. Net retained earning of private enterprises 400
9. Interest 500
10. Net indirect Tax 700
11. Net exports (-120)
12. Direct Tax period by households 300
13. Corporation Tax 100