

# BOARD QUESTION PAPER MARCH 2017

Time: 3 Hours

Max. Marks: 80

Note:

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Q.1. (A) Fill in the blanks using proper alternatives given in the brackets: (5)[16]

- (1) Market demand is a total demand of \_\_\_\_\_ buyers.  
(some/ all/ one/ two)
- (2) Perfectly inelastic demand curves is \_\_\_\_\_.  
(flatter / steeper/ vertical straight line parallel to 'OY' axis/ horizontal straight line parallel to 'OX' axis)
- (3) Other factors remaining constant, when price of a commodity rises, there is \_\_\_\_\_ of supply.  
(extension/ contraction/ decrease/ increase)
- (4) National income is \_\_\_\_\_ concept.  
(stock/ final/ intermediate/ flow)
- (5) \_\_\_\_\_ is the apex body of the monetary and banking system of the nation's economy.  
(Commercial bank/ Central bank/ Government/ Cooperative bank)

(B) Match the correct pairs: (5)

	Group "A"		Group "B"
1.	Adam Smith	a.	Private monopoly
2.	Railway	b.	Father of economics
3.	Legal tender money	c.	Public monopoly
4.	Drum account	d.	Principles of economics
5.	Bank rate	e.	Buying and selling of shares
		f.	Quantitative tool of credit control
		g.	Fiat money
		h.	Selective method of credit control

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

- (1) Total Revenue = Total quantity × Price
- (2) Demand for necessary goods is inelastic.
- (3) Capital is a natural factor of production.
- (4) Consumption expenditure is the only component of aggregate demand.
- (5) Credit money is created by the central bank of a country.
- (6) Budget is a monthly statement.

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

- (1) Micro Economics
- (2) Service utility
- (3) Unitary elastic demand
- (4) Disposable income
- (5) Autonomous consumption
- (6) Bank rate

- (B) Give reasons or explain the following statements (Any THREE): (6)
- (1) Supply is directly related to price.
  - (2) Price discrimination is possible under monopoly.
  - (3) Labour cannot be stored.
  - (4) Macroeconomics is the study of aggregates.
  - (5) Cash reserve ratio (CRR) affects the lending capacity of banks.
  - (6) Macroeconomics deals with allocation of resources.
- Q.3. (A) Distinguish between (Any THREE): (6)[12]
- (1) Increase in demand and Decrease in demand.
  - (2) Partial equilibrium and General equilibrium.
  - (3) Personal income and National income.
  - (4) Standard coins and Token coins.
  - (5) Direct tax and Indirect tax.
  - (6) Extension of supply and Contraction of supply.
- (B) Write short notes (Any TWO): (6)
- (1) Importance of Micro Economics.
  - (2) Factors determining elasticity of demand.
  - (3) Features of monopoly.
  - (4) Types of capital.
- Q.4. Write short answers for the following questions (Any THREE): [12]
- (1) What are the characteristics of utility?
  - (2) What are the features of pure competition?
  - (3) What are the features of 'macroeconomics'?
  - (4) What are the primary functions of commercial bank?
  - (5) What are the types of budget?
  - (6) What are the determinants of aggregate demand?
- Q.5. Explain with reasons whether you 'agree' or 'disagree' with the following statements (Any THREE): [12]
- (1) There are no exceptions to the Law of Demand.
  - (2) Commercial banks can create credit on the basis of primary deposit.
  - (3) Central Bank is called as the bankers' bank.
  - (4) There is no difference between Stock and Supply.
  - (5) General acceptability is the only quality of good money.
  - (6) Law of Diminishing Marginal Utility is important in practice.
- Q.6. Write explanatory answers (Any TWO): [16]
- (1) State and explain Law of Demand with assumptions.
  - (2) Explain Ratio method and Geometric method of measuring price elasticity of demand.
  - (3) What is National Income? Explain theoretical or conceptual difficulties of measuring national income.
  - (4) Explain the Subjective and Objective factors determining consumption function.