

Higher Secondary Second year

Economics

Model Question Paper - 1

Time : 2.30 Hours

MARKS : 90

Part - I

I Choose the correct answer

20 X 1 = 20

1. The author of wealth definition is _____

- | | |
|--------------------|---------------|
| a) Alfred Marshall | c) Adam smith |
| b) Lionel Robbins | d) Samuelson |

2. A successful entrepreneur is one who is ready to accept _____

- | | |
|---|----------|
| a) Innovations | b) Risks |
| c) Deciding the Location of the Production Unit | d) None |

3. The macroeconomic thinking was revolutionized by _____

- | | |
|------------------|---------------|
| a) David Ricardo | c) Adam smith |
| b) J.M.Keynes | d) Malthus |

4. Currency with the public is known as _____

- | | |
|-------------------|-------------------|
| a) M ₁ | c) M ₃ |
| b) M ₂ | d) M ₄ |

5. Law of demand establishes _____

- | | |
|--|---------|
| a) Inverse relationship between
price and quantity | c) Both |
| b) Positive relationship between
price and quantity | d) None |

6. A firm can achieve equilibrium when its

a) $MC=MR$

c) $MR=AR$

b) $MC=AC$

d) $MR=AC$

7. The author of the concept of quasi –rent is

a) Adam smith

c) Ricardo

b) Marshall

d) Samuelson

8. Single commodity consumption mode is _____

a) Production possibility curve

c) Law of supply

b) Law of equi – marginal utility

d) Law of Diminishing marginal utility

9. The initial supply price of land is _____

a) Zero

c) Less than one

b) Greater than one

d) Equal to one

10. _____ means using up of goods and services

a) Consumption

c) Supply

b) Distribution

d) Demand

11. The author of liquidity preference theory is _____

a) Lionel Robbins

c) Alfred Marshall

b) J.M.Keynes

d) Adam smith

12. An example for cosmopolitan wealth is _____

a) Tables

c) Chair

b) Ocean

d) Building

13. Production refers to _____

a) Destruction of utility

c) Exchange value

b) Creation of utility

d) None

14. Envelope curve is otherwise known as _____

- a) Planning curve
b) Long run average cost curve
- c) Group of short run average cost curve
d) All of the above
15. The perfect competitive firms are _____
a) Price maker
b) Price taker
c) Both
d) None of these
16. The marginal propensity to save is _____
a) $\frac{\Delta S}{\Delta Y}$
b) $\frac{c}{y}$
c) $\frac{\Delta P}{\Delta Q}$
d) $\frac{\Delta C}{\Delta Y}$
17. The world wide depression of 1930s was also caused by a _____
a) Fall in investment
b) Income and consumption
c) Income and employment
d) Interest and money
18. Production possibility curve is also known as _____
a) Demand curve
b) Supply curve
c) Indifference curve
d) Production possibility frontier
19. _____ is an example for free goods
a) Tea
b) Coffee
c) Sun
d) Chair
20. Mixed economy is followed by _____
a) India
b) America
c) China
d) Russia

Part - II

Answer any seven question

7X2=14

21. What are the causes of wants?

22. Name the types of utility

23. State Alfred Marshall's definition of economics
24. What is the classification of goods?
25. What is equilibrium price?
26. Classify the time periods given by Alfred Marshall
27. What are the characteristics of a market?
28. What are the classifications of market according to area?
29. What is standard of living theory of wages?
30. What are the instruments of quantitative credit control?

Part - III

Answer any seven questions

7X3=21

31. Draw a suitable diagram and table for production possibility curve
32. Draw and explain the diagram for Indifference map
33. Draw the table of total outlay method in measuring price elasticity of demand.
34. Write any three functions of entrepreneur.
35. Draw the short run average cost curve
36. What are the assumptions of marginal productivity theory of distribution?
37. What are the types of inflation?
38. Explain the relationship between SAC and SMC. Draw the diagram.
39. What is meant by division of labour? Give example.
40. Write a short note on Veblen effect

Part - IV

Answer all questions

7X5=35

41. Examine Lionel Robbin's definition of economics

(or)

Discuss the relationship between economics and other social sciences

42. Explain the advantages and disadvantages of monopoly

(or)

Draw the flow chart to depict the essence of Keynes's theory.

43. Explain the canons of taxation

(or)

Explain the shift in supply with a diagram

44. Explain the types of elasticity of demand

(or)

Give a note on long run average cost curve

45. Explain the factors determining supply

(or)

Describe consumer's equilibrium with the help of indifference map.

46. Explain the merits of socialist economy

(or)

Explain the types of internal economies of scale

47. Differentiate the perfect competition from monopoly

(or)

Describe Loanable funds theory of interest.

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Model Question Paper - 2

Time : 2.30 Hours

MARKS : 90

Part - I

I. Choose the Correct Answer

20x1=20

1. Polis in Greek means a _____.

- a) State b) Man c) Economics d) None

2. Our wants are _____

- a) Limited b) Unlimited c) Necessity d) None.

3. Indifference curves are _____ to the origin.

- a) Convex b) Concave c) Straight line d) Horizontal line

4. _____ are the advantages enjoyed within the firm.

- a) Internal economies of scale b) External economies of scale
b) Technical economies d) Labour economies

5. Price rigidity is an important feature of _____

- a) Perfect competition b) Monopoly c) Monopolistic competition d) Oligopoly

6. Exceptional demand curve slopes _____

- a) Downward b) Upward c) Horizontal d) Vertical

7. The author of the rent theory of Profit _____.

- a) Prof. Walker b) Prof. Clark c) Schumpeter d) Prof. Knight

8. Liquidity preference was given by _____

- a) J.M. Keynes b) Marshall c) Samuelson d) Knight

9. Currency notes in circulation are normally referred to as _____

- a) Reserve Money b) Post office savings deposits c) Time deposits d) Fiat Money

10. Bank rate is raised during _____

- a) Deflation b) Inflation c) Stable prices d) Unemployment

11. VAT refers

- a) Property tax b) House tax c) Value Added Tax d) None

12. Land and Labours are called _____ factors.

- a) Primary factors b) Derived factors c) Both of the above d) None of the above

13. Which of the following statement is correct to denote inflation?

- a) The price level will rise b) Supply of goods will decrease
c. Value of money is increasing d) None of these

14. Monopolistic competition was introduced by _____

- a) E.H. Chamberlin b) Marshall c) J.M. Keynes d) David Ricardo

15. Canon of equity is also called _____ principle of taxation.

- a) Ability to pay b) Canon of certainty c) Canon of Convenience
d. Canon of economy

16. Which one of the following is levied by central government _____

- a) Land Revenue b) Taxes on Consumption of Electricity
c. Entertainment tax d) Customs duties

17. Bank rate is reduced during _____

- a) Deflation b) Inflation c) Stable Price d) Disguised unemployment

18. The proportion of income not spent on consumption is _____

- a) Investment b) Marginal propensity to save c) Consumption function
d) Saving

19. Most important form of selling cost is _____
- a) Advertisement b) Sales c) Homogeneous product d) None
20. If a want can be satisfied by two or more goods, it is called
- a) Substitutes b) Economic good c) free goods d) None

Part – II

Answer any seven questions

7x2=14

21. Name the important general Economic systems.
22. Define 'Consumer's Surplus'.
23. What is Elasticity of Demand?
24. Write a short note on market period.
25. Define Labour.
26. Give two examples of Money Cost.
27. What is Average Revenue?
28. What is Monopoly?
29. Define Public Finance.
30. What are the kinds of Budget?

Part-III

Answer any seven questions.

7x3=21

31. Write a note on traditional Economy.
32. Distinguish between micro economics and macro economics.
33. What are the assumptions of Law of Diminishing Marginal Utility?
34. What are the characteristics of Physical Capital?

35. What are economic costs?
36. Write about the classification of market according to competition.
37. Write any 3 criticisms of Say's Law?
38. Write any five tax revenue of the state government.
39. Write a note on Giffen paradox. Give example.
40. What are the three phases of returns to scale?

Part-IV

Answer all the questions

7x5=35

41. Explain any five characteristics of human wants.

(or)

Explain the shift in demand with the help of a diagram.

42. Write any five functions of an entrepreneur.

(Or)

Define Monopoly. Explain the advantages of Monopoly.

43. Critically examine Ricardian Theory of Rent.

(Or)

Describe the consumption function with a diagram.

44. Discuss the causes and remedies for Inflation.

(Or)

What are the assumptions of Keynes's simple income determination?

45. Explain the point method of measurement of price elasticity of demand with a diagram and formula.

(or)

Explain the indifference curve approach.

46. Explain Consumer's surplus assumptions, importance and criticism.

(or)

What are the main divisions of Economics? Explain.

47. What are the merits and demerits of a mixed economy?

(or)

What are the peculiarities of Land?

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Model Question Paper - III

Time : 2.30 Hours

MARKS : 90

PART I

I .Answer all the questions

20x1=20

1. The term 'micro' means _____
 a) Big b) small c) both d) none.
2. Traditional economy is a _____
 a) Subsistence economy b) Market economy
 c) Command economy d) monetary economy
3. Consumer surplus is _____
 a) Potential price – Actual Price b) Actual Price – Potential Price
 c) Demand = Supply d) None
4. There are _____ types of Elasticity of demand.
 (a) 3 (b) 2 (c) 4 (d) 5
5. In the long period _____
 a) All factors change b) Only variable factor changes
 c) Only fixed factor changes d) Variable and fixed factor remain constant.
- 6) Air and Sunlight are _____ goods.
 a) Economic goods b) Free goods c) Scarcity d) Value-in-Exchange.
- 7) The basic assumption of economic theory _____
 a) Other things being equal b) Only when price changes
 c) Only when change in income d) none.
- 8) Equilibrium price is _____
 a) $S=D$ b) $S>D$ c) $D<S$ d) None
- 9) _____ introduced the concept of "Division of labour".
 a) Adam Smith b) Alfred Marshall c) J.M. Keynes d) J.B. Say

- 10) Average cost is _____
 a) TC/Q b) TVC+TFC c) Marginal cost d) None
11. The year MRTP Act was passed _____
 a) 1969 b) 1989 c) 2000 d) 1959
12. 'Supply creates its own demand' propounded by _____
 a) J.M. Keynes b) Adam Smith c) David Ricardo d) J.B. Say
13. Formula for multiplier _____
 a) $K = \frac{1}{1-mpc}$ b) $K = \frac{1}{1+mpc}$ c) $K=C+S$ d) None
14. Monetary policy is controlled by _____
 a) Central government b) State government c) Central Bank d) Private sector
15. The equation of exchange _____ given by Irving Fisher
 a) $MV=PT$ b) $MR=AR$ c) $C+I+G+(X-M)$ d) None
16. _____ is known as the father of political economy.
 a) Adam smith b) Alfred Marshall c) Robbins d) Samuelson
17. The compulsory charge levied by the government is _____
 a) License fees b) Gifts and grants c) Loan d) Tax
18. Cobb-Douglas production function _____
 a) $Q=bL^aC^b$ b) $\frac{p_x}{p_y}$ c) $\frac{\Delta c}{\Delta y}$ d) $y = c + s$
19. In ZBB every year is considered as a _____
 a) Base year b) Financial year c) New year d) Academic year
20. An example for direct tax is _____
 a) Income tax b) Excise duty
 c) Sales tax d) none.

PART II

Answer any seven questions.

7x2=14

21. What are the main divisions of Economics?
22. What are the basic issues of any society?
23. Define Utility.
24. Why does the demand curve slope downwards?

25. What are the factors of Production?
26. What are the economies of scale?
27. How does the government control monopoly?
28. What are the three motives of liquidity preference theory?
29. Give the two factors on which the aggregate demand depends.
30. Define Money.

PART III

Answer any seven questions

7x3=21

31. Distinguish between free goods and economic goods.
32. What is opportunity cost?
33. What are the properties of Indifference curve?
34. Explain the types of Elasticity of supply with a diagram.
35. Mention any three benefits of perfect competition.
36. Bring out the distinction between short run and long run.
37. What is marginal cost?
38. What is Price discrimination?
39. What are the kinds of tax?
40. What are the four components of money supply?

Part – IV

Answer all the questions

7x5=35

41. a) Explain the salient features of Capitalism
(or)
b) Discuss the nature and importance of economic laws.
42. a) Describe the law of diminishing marginal utility with a diagram
(or)
b) Explain the merits and demerits of division of labour.
43. a) What are the methods of Controlling Monopoly?
(or)
b) Discuss the Keynesian theory of interest.

44. a) What are the determinants of consumption other than income?

(or)

b) Describe the functions of Money.

45. a) Differentiate between the Direct and Indirect Taxes.

(or)

b) Distinguish between total and marginal utility.

46. a) Explain the relationship between AR and MR.

(or)

b) How is the Price and output determined in the short run under perfect competition?

47. a) Describe the Law of demand with a diagram

(or)

b) Describe the characteristics of Capital.

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