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**HS/XII/A.Com/Ec/OC/21**

**2 0 2 1**

**ECONOMICS**

( Old Course )

*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 Questions) serially.
- (iii) Attempt all parts of a question together at one place.

( PART : A—OBJECTIVE )

( *Marks* : 40 )

SECTION—I

( *Marks* : 20 )

**A.** Choose and write the correct answer of the following from the given alternatives (any *ten*) :  $1 \times 10 = 10$

1. Macroeconomics is a branch of Economics that studies about
  - (a) consumer behaviour
  - (b) a business firm
  - (c) economy as a whole
  - (d) None of the above

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2. A demand curve
  - (a) slopes upward from left to right
  - (b) slopes downward from left to right
  - (c) is a horizontal straight line
  - (d) is a vertical straight line
  
3. The law of supply states that other things remaining the same, a rise in price leads to
  - (a) a fall in supply
  - (b) a rise in supply
  - (c) constant supply
  - (d) None of the above
  
4. All of the following curves are U-shaped, *except*
  - (a) AC curve
  - (b) AVC curve
  - (c) MC curve
  - (d) AFC curve

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5. Differentiated product is a feature of
- (a) perfect competition
  - (b) oligopoly
  - (c) monopoly
  - (d) monopolistic competition
6. The price paid for the use of labour is called
- (a) rent
  - (b) wage
  - (c) interest
  - (d) profit
7. The uncertainty-bearing theory of profit was propounded by
- (a) F. H. Knight
  - (b) Hawley
  - (c) Walker
  - (d) J. B. Clark

8. Gross National Product ( $GNP_{mp}$ ) 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
9. In the case of a direct tax
- (a) the impact and incidence fall on the same person
  - (b) the impact and incidence fall on different persons
  - (c) the burden of the tax can be shifted
  - (d) None of the above
10. Balance of trade is
- (a) same with balance of payments
  - (b) totally different from balance of payments
  - (c) a part of balance of payments
  - (d) None of the above

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11. Development of infrastructure is vital for

- (a) reducing poverty
- (b) generation of employment
- (c) economic development
- (d) All of the above

12. Land Development Banks are also known as

- (a) Government Banks
- (b) Land Mortgage Banks
- (c) Central Development Banks
- (d) Primary Land Development Banks

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**B.** Fill in the blanks with appropriate word(s) (any *ten*) :

1×10=10

1. The locus of different combinations of two inputs, say, labour and capital that give us a given level of output is called a \_\_\_\_\_.
2. When all goods demanded just match the goods supplied, the market is said to be in \_\_\_\_\_.
3. Under monopoly, a firm's marginal revenue curve lies \_\_\_\_\_ the average revenue curve.
4. \_\_\_\_\_ wage is that wage which is expressed in terms of money.
5. Disposable Personal Income is defined as a sum of consumption expenditure and \_\_\_\_\_.
6. Borrowing by the State is known as \_\_\_\_\_ debt.
7. The basic component of Green Revolution is the introduction of \_\_\_\_\_ seeds.
8. The share of agriculture in India's national income is \_\_\_\_\_.

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9. Cottage and small-scale industries are \_\_\_\_\_ intensive.
10. A balance of payments statement consists of \_\_\_\_\_ account and capital account.
11. The Industrial Policy Resolution of 1948 divided the industries into \_\_\_\_\_ categories.
12. \_\_\_\_\_ goods are important non-traditional export items of India.

SECTION—II

( Marks : 20 )

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

1. Mention the central economic problems in an economy.
2. State the law of diminishing marginal utility.
3. What is price elasticity of demand?
4. Distinguish between fixed cost and variable cost.

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5. Mention any two assumptions of perfect competition.
6. What is gross interest?
7. Give the meaning of an indirect tax.
8. What is budget deficit?
9. Give two points of difference between internal trade and international trade.
10. Suggest two measures to increase agricultural production in India.
11. Give two problems faced by cottage and small-scale industries in India.
12. Mention the three key words of economic reforms.
13. What is economic planning?
14. Give the full form of any *two* of the following : 1×2=2
  - (a) MRTP
  - (b) FDI
  - (c) IMF
  - (d) FERA

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( 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. Explain the production possibility curve with the help of a diagram. 6
2. What are the factors affecting demand? 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. How is price determined under monopoly market? 6
5. Explain Ricardian theory of rent under extensive cultivation. 6
6. Explain the uncertainty-bearing theory of profit. 6

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SECTION—II

7. Explain the importance of macroeconomics. 6
8. Explain the circular flow of income in a two-sector model with the help of a diagram. 6
9. Distinguish between the following : 3+3=6
- (a) Plan expenditure and Non-plan expenditure
- (b) Development expenditure and Non-development expenditure
10. Give an account of the increase in public expenditure. 6
11. Explain why nations trade. 6

SECTION—III

12. What is infrastructure? Distinguish between economic and social infrastructure with example. 1+5=6
13. Explain the various sources of agricultural finance. 6

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- 14.** Discuss the role of cottage and small-scale industries in India. 6
- 15.** Explain the direction of India's foreign trade. 6
- 16.** Discuss the need for economic planning. 6

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