2025 | VII | 09   1100   **J-433**   (E)

ECONOMICS (49)

Time : 3 Hrs.   (8 Pages)   Max. Marks : 80

Notes **:** *(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)**   Choose the correct options :   (5) **[20]**

     (i)   Methods adopted in microeconomic analysis :

       (a)   Lumping method

       (b)   Aggregative method

       (c)   Slicing method

       (d)   Inclusive method

       Options :

         (1)   a, c and d   (2)   a, b and d

         (3)   Only c   (4)   Only a

     (ii)   Under perfect competition, sellers are :

       (a)   Price makers

       (b)   Price takers

       (c)   Price discriminators

       (d)   None of these

       Options :

         (1)   a, b and c   (2)   Only b

         (3)   Only c   (4)   a and c

(iii) Statements that are correct in relation to Index Numbers :

(a) Index numbers are a geographical tool.

(b) Index numbers measure changes in the air pressure.

(c) Index numbers measure relative changes in an economic variable.

(d) Index numbers are specialized average.

Options :

    (1)   c and d   (2)   a and b

    (3)   b and c   (4)   a and d

(iv) Obligatory functions of the government :

(a) Protection from external attacks

(b) Maintaining internal law and order

(c) Welfare measures

(d) Exporting goods and services

Options :

    (1)   c and d   (2)   a and b

    (3)   Only b   (4)   a, c and d

(v) Types of foreign trade are as follows :

(a) Import trade

(b) Export trade

(c) Entrepot trade

(d) Internal trade

Options :

    (1)   a and b   (2)   a, b and c

    (3)   a, b, c and d   (4)   None of these

(B) Give Economic terms :   (5)

(i) A desire which is backed by willingness to purchase and ability to pay.

(ii) The net addition made to total cost by producing one more unit of output.

(iii) The type of market where there are few sellers.

(iv) The gross market value of all final goods and services produced within the domestic territory of a country during a period of one year.

(v) Buying and selling of goods and services within the boundaries of a nation.

(C) Complete the following statements : (5)

(i) Micro economics is also known as _____.
    (a) Price Theory
    (b) Income Theory
    (c) Growth Theory
    (d) Development Theory

(ii) When total utility is maximum then marginal utility is _____.
    (a) Positive   (b) Negative
    (c) Zero   (d) One

(iii) Demand curve is parallel to 'X' axis in case of _____.
    (a) Perfectly elastic demand
    (b) Perfectly inelastic demand
    (c) Relatively elastic demand
    (d) Relatively inelastic demand

(iv) In India, National Income is estimated by Central Statistical Organization (CSO) using _____.
    (a) Output method
    (b) Income method
    (c) Expenditure method
    (d) Combination of Output and Income method

(v) A market for lending and borrowing of short term funds is known as _____.

    (a) Money market   (b) Capital market

    (c) Labour market   (d) Product market

(D) Find the odd word :   (5)

(i) Types of utility :

Form utility, Place utility, Marginal utility, Service utility

(ii) Determinants of demand :

Price, Income, Prices of substitute goods, Giffen's paradox

(iii) Methods of measuring price elasticity of demand :

Income method, Percentage method, Total Expenditure method, Point method / Geometric method.

(iv) Exceptions to the law of supply :

Supply of labour, Agricultural goods, Prestige goods, Perishable goods.

(v) Non-Tax Revenue Sources :

Fees, Custom duty, Special Assessment, Fines and penalties

Q. 2. **(A)** Identify and explain the following concepts (Any THREE) :   (6) **[12]**

(i) Raju collected the information about total consumption, total savings and total investment of Indian economy.

(ii) Rise in price by 20% of a commodity 'X' leads to fall in the demand of the same commodity 'X' by 20%.

(iii) Swara receives monthly pension of ₹ 8,000 from the State Government of Maharashtra.

(iv) Tushar deposited a lumpsum amount of ₹ 1,00,000 in the bank for a period of three years.

(v) Sharad was able to supply less paper to market due to technical problems in paper making factory although the price of paper remained constant.

(B) Distinguish between (Any THREE) : (6)

(i) Slicing method and Lumping method

(ii) Expansion of demand and Increase in demand

(iii) Stock and Supply

(iv) Simple Index Number and Weighted Index Number

(v) Public Finance and Private Finance

Q. 3. Answer the following questions (Any THREE) : [12]

(i) Explain any four features of Micro Economics.

(ii) Explain any four features of perfect competition.

(iii) Explain any four functions of Reserve Bank of India.

(iv) Explain the two sector model of the circular flow of National Income.

(v) Explain the types of Index Number.

Q. 4. State with reasons whether you agree or disagree with the following statements (Any THREE) : [12]

(i) There are no real exceptions to the law of Diminishing Marginal Utility.

(ii) There are many features of monopolistic competition.

(iii) There are no limitations of Index Number.

(iv) Money market plays important role in India.

(v) There is no difference between the concepts of Balance of Trade and Balance of Payment.

Q. 5. **Study the following table, figure, passage and answer** **[8]**
the questions given below it (Any TWO) :

(i) Observe the given table and answer the questions: **(4)**

| Unit of commodity	Total Utility	Marginal Utility
1	10	
2	18	8
3		6
4	28	4
5	30	
6	30	0
7		–2

Questions :

(a) Complete the above table. (2)

(b) When total utility increases at a diminishing rate then marginal utility goes on [   ] . (1)
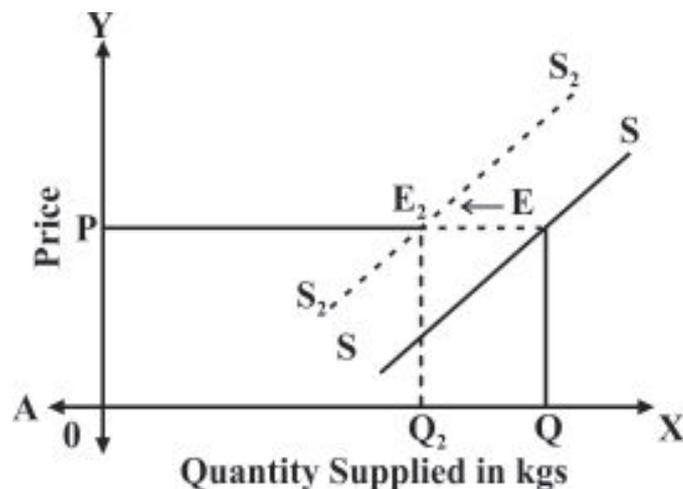
(c) After consuming six units of the commodity, MU becomes [   ] . (1)

(ii) Observe the following diagrams and answer the questions given below: **(4)**

DIAGRAM A

Quantity Supplied in kgs

DIAGRAM B

Quantity Supplied in kgs
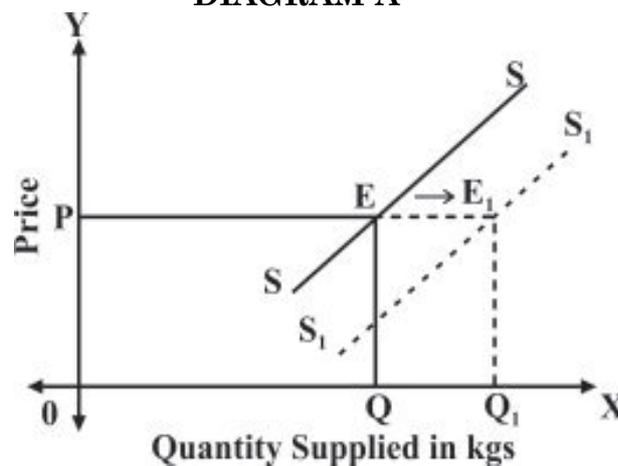
Questions :

(1) Diagram 'A' represents _____ in supply. (1)

(2) Diagram 'B' represents _____ in supply. (1)

(3) In diagram 'A', the supply curve shifts _____ side of the original supply curve. (1)

(4) In diagram 'B', the supply curve shifts _____ side of the original supply curve. (1)

(iii) Read the given passage and answer the questions : **(4)**

The Government of India and various agencies continuously monitor and calculate the National Income using different methods such as output, income and expenditure methods, etc. These methods help in providing a comprehensive picture of India's economic performance.

From 2001 to 2021, India's GDP grew at an average annual rate of around 6 to 7%. The country saw a significant shift from primarily agriculture-based to a

more diverse economy with services and industrial sectors playing a more prominent role in GDP composition.

However it is important to note that there were fluctuations and challenges along the way, including the global financial crisis in 2008 and the COVID-19 pandemic in 2020 which temporarily disrupted growth trends.

In recent years, India has aimed for sustainable economic development, focusing on information technology. The initiatives such as "Make in India" and "Digital India" have been launched to boost economic activities and create employment opportunities which in turn impact the National Income positively.

Questions :

(1) What is the average annual growth rate of India for the period from 2001 to 2021? (1)

(2) Which factors disrupted the growth trends of India's National Income? (1)

(3) Express your opinion about the given passage. (2)

Q. 6. Answer the following questions in detail (Any TWO) : **[16]**

(i) State and explain the law of demand with its assumptions.

(ii) Explain the factors influencing the elasticity of demand.

(iii) Explain the reasons for the growth in public expenditure in India.

◆◆◆