SY-235

| SECOND YEAR HIGHER SECONDARY EXAMINATION, MARCH 2021 |

Part – III

ECONOMICS

Maximum : 80 Scores

Time : 2½ Hours

Cool-off time : 20 Minutes

General Instructions to Candidates :

- There is a 'Cool-off time' of 20 minutes in addition to the writing time.
- Use the 'Cool-off time' to get familiar with questions and to plan your answers.
- Read questions carefully before answering.
- Read the instructions carefully.
- Calculations, figures and graphs should be shown in the answer sheet itself.
- Malayalam version of the questions is also provided.
- Give equations wherever necessary.
- Electronic devices except non-programmable calculators are not allowed in the Examination Hall.

വിദ്യാർത്ഥികൾക്കുള്ള പൊതുനിർദ്ദേശങ്ങൾ :

- നിർദ്ദിഷ്ട സമയത്തിന് പുറമെ 20 മിനിറ്റ് 'കൂൾ ഓഫ് ടൈം' ഉണ്ടായിരിക്കും.
- 'കൂൾ ഓഫ് ടൈം' ചോദ്യങ്ങൾ പരിചയപ്പെടാനും ഉത്തരങ്ങൾ ആസൂത്രണം ചെയ്യാനും ഉപയോഗിക്കുക.
- ഉത്തരങ്ങൾ എഴുതുന്നതിന് മുമ്പ് ചോദ്യങ്ങൾ ശ്രദ്ധാപൂർവ്വം വായിക്കണം.
- നിർദ്ദേശങ്ങൾ മുഴുവനും ശ്രദ്ധാപൂർവ്വം വായിക്കണം.
- കണക്ക് കൂട്ടലുകൾ, ചിത്രങ്ങൾ, ഗ്രാഫുകൾ, എന്നിവ ഉത്തരപേപ്പറിൽ തന്നെ ഉണ്ടായിരിക്കണം.
- ചോദ്യങ്ങൾ മലയാളത്തിലും നല്ലിയിട്ടുണ്ട്.
- ആവശ്യമുള്ള സ്ഥലത്ത് സമവാക്യങ്ങൾ കൊടുക്കണം.
- പ്രോഗ്രാമുകൾ ചെയ്യാനാകാത്ത കാൽക്കുലേറ്ററുകൾ ഒഴികെയുള്ള ഒരു ഇലക്ട്രോണിക് ഉപകരണവും പരീക്ഷാഹാളിൽ ഉപയോഗിക്കുവാൻ പാടില്ല.

Answer questions from 1 to 41 up to the maximum of 80 scores.

Question from 'a' to 'l' carry 1 score each. (12 × 1 = 12)

1. a. In a centrally planned economy, all the important economic activities are planned by :

   (i) The market (ii) The government

   (iii) Both market and government (iv) Corporate sector

   b. An example of micro economic variable is :

   (i) National income (ii) Gross Domestic Product

   (iii) Net Domestic Product (iv) Individual income

   c. The founding father of Modern Economics is :

   (i) J.M. Keynes (ii) Adam Smith

   (iii) Alfred Marshall (iv) Amartya Sen

   d. The book 'General Theory of Employment, Interest and Money' was published in the year :

   (i) 1929 (ii) 1936

   (iii) 1776 (iv) 1946

   e. Other things remain the same, when price of a commodity decreases, its demand

   (i) Falls (ii) Rises

   (iii) Never changes (iv) Constant

   f. The firm's revenue under perfect competition is :

   (i) MR > AR (ii) AR > MR

   (iii) MR = AR (iv) MR > Price

   g. National income in India is :

   (i) GDP_{MP} (ii) GNP_{FC}

   (iii) NDP_{FC} (iv) NNP_{FC}

   h. In India, the custodian of foreign exchange reserve is :

   (i) State Bank of India (ii) Reserve Bank of India

   (iii) Canara Bank (iv) Indian Bank

   i. The situation where, market demand equals market supply :

   (i) Excess supply (ii) Excess demand

   (iii) Equilibrium (iv) Deficient demand

   j. Shape of the demand curve under monopoly market :

   (i) Upward sloping (ii) Downward sloping

   (iii) Horizontal straight line (iv) Vertical straight line

k. Budget in which Government Expenditure is greater than Government Revenue :
    (i)   Surplus budget   (ii) Deficit budget
    (iii) Balanced budget   (iv) Current account deficit

l. In a two sector model AD $= \bar{C} + \bar{I} + c \cdot Y$. Here autonomous consumption is indicated by :

    (i) c (ii) $\bar{C}$

    (iii) $\bar{I}$ (iv) Y

Questions from 2 to 13 carry 2 scores each.   **(12 × 2 = 24)**

2. Write any two features of centrally planned economy.

3. What do you mean by Balance of trade ?

4. What is meant by Average product and Marginal product ?

5. What is Cardinal utility analysis ?

6. List out four sectors of the economy according to the macro economic point of view.

7. What is the difference between micro and macro economics ?

8. Why the AR and MR curves are the same under perfect competition ?

9. What do you mean by Excess demand ?

10. What is meant by Paradox of thrift ?

11. Briefly explain the market demand.

12. Define the Gross National Product.

13. What is meant by the personal income ?

Questions from 14 to 23 carry 3 scores each.   **(10 × 3 = 30)**

14.   Write a brief note on the central problems of an economy due to scarcity of resources.

15.   Write a short note on the Great Depression of 1929.

16.   Briefly explain the circular flow of income in a simple economy.

17.   Identify the important features of monopoly market.

18.   Briefly explain any three functions of money.

19.   Briefly explain the determination of income in a two sector model.

20.   Define the Total Revenue, Average Revenue and Marginal Revenue.

21.   When price is ₹ 10/-, the consumer buys 10 units of commodity. When price rises to ₹ 20/-, the demand falls to 5 units. Calculate the price elasticity of demand.

22.   Discuss the important determinants of firm's supply curve.

23.   Explain the difference between Revenue deficit and Primary deficit.

Questions from 24 to 31 carry 4 scores each.   **(8 × 4 = 32)**

24.   Explain any two features of indifference curve.

25.   Analyse the features of Perfect competition.

26.   Define the concepts of stocks and flows with examples.

27.   Distinguish between MPC (Marginal Propensity to Consume) and MPS (Marginal Propensity to Save).

28. What do you mean by the government budget. Explain its objectives.

29. What is an open economy ? Identify the three linkages of an open economy.

30. Suppose the market demand curve of Apple is ; QD = 500 – P. The market supply curve of Apple is ; qs = 100 + P. Calculate the equilibrium price and quantity.

31. List out the important features of monopolistic competition; write two examples of this market.

Questions from 32 to 37 carry 5 scores each.   **(6 × 5 = 30)**

32. Explain price ceiling Write its two effects.

33. Classify the following Govt. Expenditures into Revenue Expenditure and Capital Expenditure.
Interest payments, Investment in shares, Subsidies, Loans to State Govts. by Central Govt., Salaries and Pensions.

34. The items in Column A show the concepts related with cost and production. Match them suitably with Column B.

A	B
Short run	Total cost
Marginal product	Some factors are fixed
Total Fixed Cost Curve (TFC)	$\dfrac{\Delta TC}{\Delta Q}$
Total Fixed Cost + Total Variable Cost (TFC + TVC)	$\dfrac{\text{Change in output}}{\text{Change in input}}$
Marginal Cost (MC)	Horizontal Straight line parallel to X axis

35. What is Balance of Payments (BOP) ? Explain the three components of current account of BOP.

36. Explain the tax revenue and non-tax revenue of the Central Government.

37. Briefly explain 'the Returns to scale'.

Questions from 38 to 41 carry 8 scores each.   (4 × 8 = 32)

38. A consumer wants to consume two goods. The prices of two goods are ₹ 10/- each.
Income of the consumer is ₹ 50/-. Based on the data :
    A. Draw a budget line
    B. Explain the optimal choice of the consumer with the help of indifference curve.

39. Complete the given table and define the concepts of TFC, TVC and TC.

Output	TFC	TVC	TC	AFC	AVC	SAC	SMC
0	100	0					
1	100	100					
2	100	200					
3	100	300					
4	100	400					

40. GDP of a country can be calculated by using three methods. Explain the income and expenditure method.

41. The Reserve Bank of India (RBI) controls the money supply in the economy in various ways. Explain.
    (Hints : Quantitative and Qualitative tools)

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