

# FINAL ANSWER KEY

SECOND.. YEAR HIGHER SECONDARY EXAMINATION MARCH 2026

PART-I/II/III ✓

SUBJECT: ..ECONOMICS.....

CODE NO: ..S.Y. 235

VERSION:.....

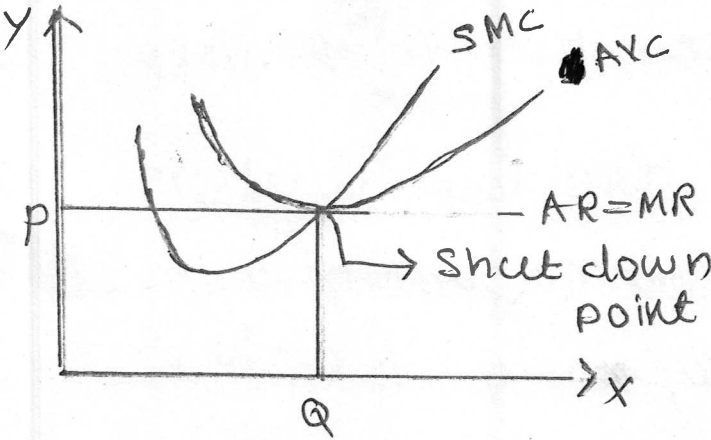
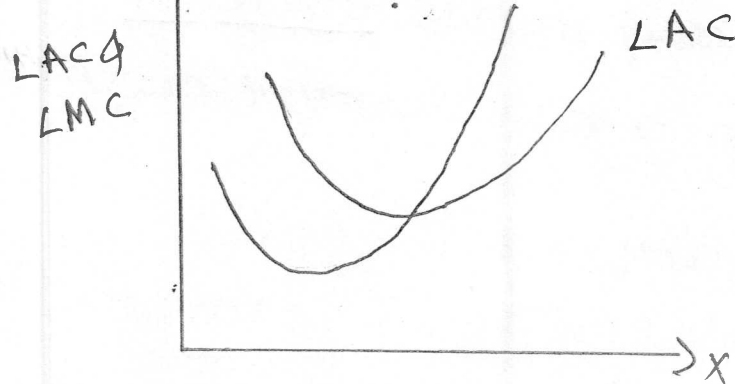
..80.. SCORES

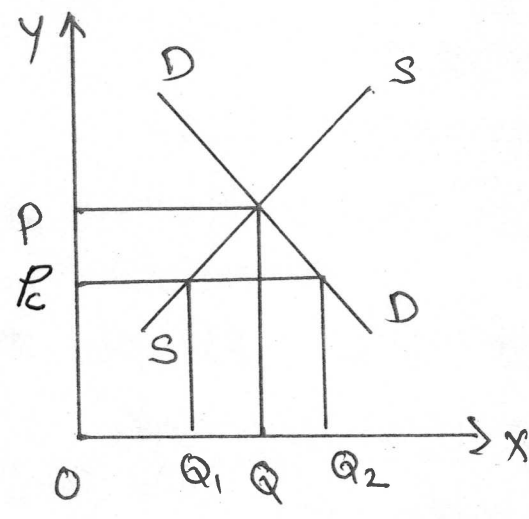
2 1/2.. HOURS

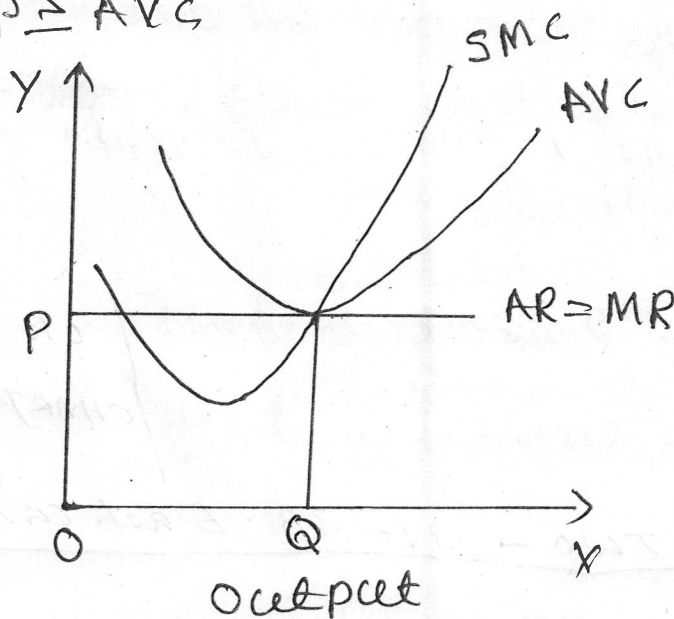
ANSWER ANY 8 from 1 to 10. Each carries 1 score.

Qn. No	Sub Qns	Answer Key/Value Points	Score	Total Score
1		d) Central problems solved by planning mechanism		
2		c) Marginal cost		1
3		a) Total revenue = Total cost		1
4		b) price floor		1
5		d) Adam Smith		1
6		c) Capital		1
7		b) Bank rate / c) repo rate		1
8		b) <sup>1</sup> Cash Reserve Ratio		1
9		c) Marginal propensity to save		1
10.		<u>9) English version d' and Malayalam version d'</u> a) Investment / in Malayalam version any attempt		1
11.		<u>ANY FOUR - 11 - 15. EACH CARRIES 2 SCORES</u> Increase in income leads to increase in demand - Normal goods Increase in income leads to decrease in demand - Inferior goods.	1	2
12		$Q^D = Q^S$ $200 - P = 120 + P$ $200 - 120 = 2P$ $2P = 80$		

Qn. No	Sub Qns	Answer Key/Value Points	Score	Total Score
		$P = 40$ $Q^D = 200 - 40 = \underline{160}$	1 1	2
13		Unexpected rise in inventory or unexpected fall in sales - unplanned accumulation	1	2
		Unexpected decrease in inventory or unexpected rise in sales - unplanned decumulation	1	
14.		$MPC = 0.8$ $k = \frac{1}{1 - MPC} = \frac{1}{1 - 0.8} = \frac{1}{0.2} = \underline{5}$ [Equation 1 score, Answer 1 score]	1 1	2
15		Both visible and invisible - Balance of payments	1	2
		Only visible items - Balance of Trade	1	
<del>ANSWER ANY FOUR - 16-20 - EACH CARRIES 3 SCORES</del>				
16.		What to produce? How to produce? For whom to produce? Explanation	$\frac{1}{2}$ each $\frac{1}{2}$	3

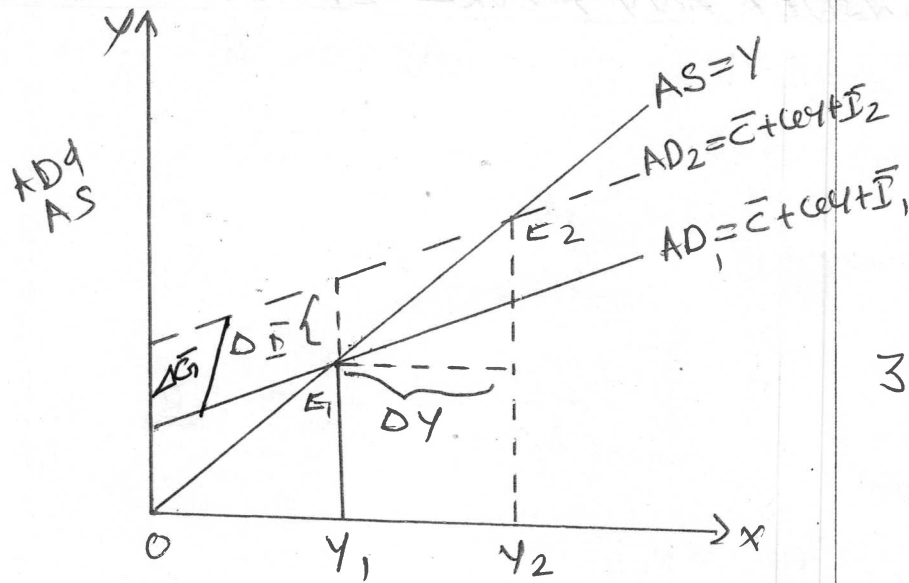
Qn. No	Sub Qns	Answer Key/Value Points	Score	Total Score
17		 <p data-bbox="510 705 718 750">Output</p> <p data-bbox="510 772 758 817">Diagram</p> <p data-bbox="327 828 1157 907">Location of shut down point</p>	<p data-bbox="1236 784 1276 817">2</p> <p data-bbox="1260 862 1308 907">1</p>	<p data-bbox="1404 649 1452 705">3</p>
18.		<p data-bbox="311 985 1165 1220">Write three relevant points related to the emergence of macro economics</p>	<p data-bbox="1212 1030 1340 1086">1 each</p>	<p data-bbox="1396 1030 1444 1086">3</p>
19.		<p data-bbox="311 1276 1181 1444">Three functions of central bank EXplain each. (Half mark for each point)</p>	<p data-bbox="1212 1254 1340 1310">1 each</p>	<p data-bbox="1396 1265 1444 1321">3</p>
20.		<p data-bbox="311 1512 1053 1579">Meaning of public good</p> <p data-bbox="311 1601 1149 1680">Any two relevant features</p>	<p data-bbox="1244 1500 1276 1556">1</p> <p data-bbox="1252 1601 1332 1646">2</p>	<p data-bbox="1380 1523 1428 1579">3</p>
<del>ANSWER ANY 4 - 21 - 25. EACH CARRIES 4 SCORES</del>				
21.		 <p data-bbox="630 2161 853 2206">Output</p>	<p data-bbox="1236 1937 1284 1982">2</p>	

Qn. No	Sub Qns	Answer Key/Value Points	Score	Total Score
22		<p>Write any two relationship</p> <p>Explain any four features of perfect competition</p> <p>(18 points only 1/2 each)</p>	2 1 each	4 4
23		 <p>- Imposition of upper limit on the price of good or service</p> <p>- below equilibrium price</p> <p>- Used to protect the interest of consumers</p> <p>(Any two relevant points)</p>	2 2	4
24		<p>Draw and mark <u>circular flow</u> in a two sector economy</p>	1+1+1	4
25		<p>Explain any two factors (speculation, interest rate, income etc)</p>	2+2	4

Qn. No	Sub Qns	Answer Key/Value Points	Score	Total Score
<del>ANSWER ANY FOUR - 26-30. Each carries 5 marks</del>				
26	a) Define price elasticity of demand	b) $e_D = \frac{\Delta Q}{\Delta P} \times \frac{P}{Q}$ $= \frac{5}{1} \times \frac{4}{25} = \frac{20}{25} = \underline{\underline{0.8}}$	2	5
27	a) $MC = MR$ b) $MC$ cut $MR$ from below ( $MC$ should be non-decreasing) c) $P \geq AVC$		1 1/2	5
	Explanation		2	
28	Explain any five policies of central bank		1 each	5

Qn. No	Sub Qns	Answer Key/Value Points	Score	Total Score
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29.



3

AD shifts to upward direction  
change in income and output  
is greater than change in auto-  
nomous feeeter

2

30.

Explain Revenue budget / OR

2 1/2

5

Explain Capital budget / CHART

2 1/2

ANSWER ANY TWO - 31-33. Each carries 8 scores

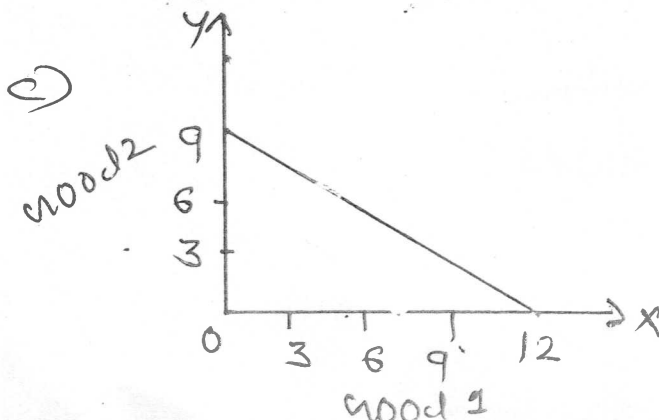
31

a)  $6X_1 + 8X_2 = 72$

1

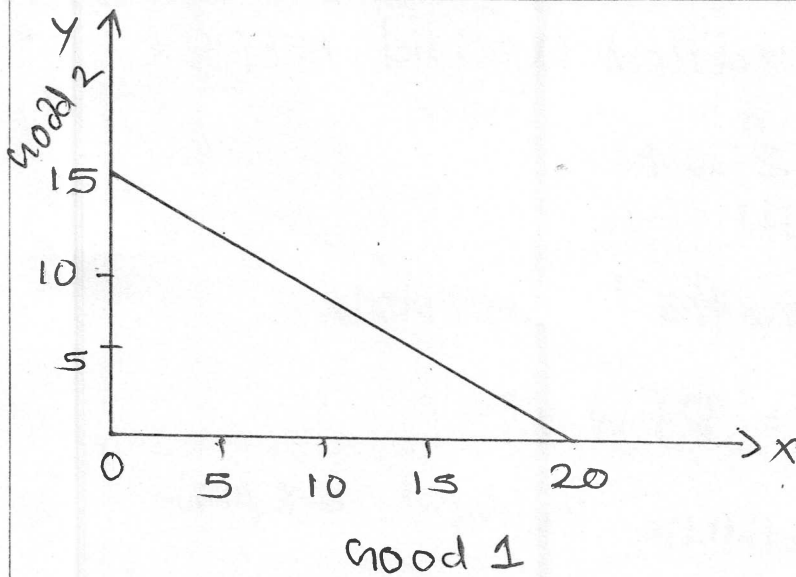
b)  $-P_1/P_2 = \frac{-6}{8} = -0.75$

1



3

Qn. No	Sub Qns	Answer Key/Value Points	Score	Total Score
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3

8

32.

a)

Q	TRC	TVC	TC	AFC	AVC	AC	MC
0	20	0	20	-	-	-	-
1	20	10	30	20	10	30	10
2	20	18	38	10	9	19	8
3	20	24	44	6.6	8	14.6	6
4	20	29	49	5	7.2	12.2	5
5	20	33	53	4	6.6	10.6	4
6	20	39	59	3.3	6.5	9.8	6
7	20	47	67	2.8	6.7	9.5	8
8	20	60	80	2.5	7.5	10	13
9	20	75	95	2.2	8.3	10.5	15
10	20	95	115	2	9.5	11.5	20

5

8

b) Draw AFC, AVC & AC

3

Qn. No	Sub Qns	Answer Key/Value Points	Score	Total Score
33		Value added method Explain $GNP = \sum_{i=1}^n C_i VA_i$	3	
		Income method Explain $GNP = R + W + I + P$	2	8
		Expenditure method Explain $GNP = C + \underline{G} + I + X - M$	3	
1.		SANTHOSH KUMAR. A. T. D.H.S.S. THURAVOOR, Alleppey(DT) 9495034246		
2.		SUNIL KUMAR.S. SNASS, Uthamalakka, Thiruvandrum 9447500984		
3.		ABDUL NASSAR. N. PTMYHSS EDAPPACAM, PALAKKAD 9447324989		
4.		BINOJ M.U, Govt. HSS PAZHANYANUR 804, B.I.A 8597851105		
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6.		NUJUM.M PHS PANDALLUR 9446766957. MLPM.		
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