

# BOARD QUESTION PAPER : MARCH 2014

Time: 3 Hours

Max. Marks: 80

**Note:**

- (1) All questions are compulsory.
- (2) Draw tables / diagrams wherever necessary.
- (3) Figures to the right indicate full marks.
- (4) Write answer of every new question on a new page.

**Q.1. (A) Fill in the blanks with appropriate alternatives given in the brackets: (5)[16]**

- (1) Microeconomics is a \_\_\_\_\_ equilibrium approach.  
(partial / general / total / multi-variable)
- (2) The demand for salt is \_\_\_\_\_.  
(elastic / inelastic / infinitely elastic / unitary elastic)
- (3) Investment made by the government is \_\_\_\_\_ investment.  
(unplanned / gross / autonomous / induced)
- (4) A bank is an institution which deals in money and \_\_\_\_\_.  
(commodity money / credit / barter / standard money)
- (5) During depression, \_\_\_\_\_ budget is preferable.  
(balanced / surplus / deficit / zero)

**(B) Match the correct pairs: (5)**

	Group "A"		Group "B"
i.	Tea and coffee	a.	Wages
ii.	Stock	b.	Flow concept
iii.	Labour	c.	Central bank
iv.	National income	d.	Commercial bank
v.	Clearing house system	e.	Complementary goods
		f.	Rent
		g.	Potential supply
		h.	Substitute goods

**(C) State whether the following statements are True or False: (6)**

- (1) Perfectly inelastic demand curve is parallel to 'Y' axis.
- (2) Supply is inversely related to price.
- (3) Price discrimination is possible under monopoly.
- (4) In case of token coins intrinsic value is less than their face value.
- (5) Credit money is created by the Central bank of a country.
- (6) The main objective of the Central bank is to earn profit.

**Q.2. (A) Define or Explain the following concepts: (Any three) (6)[12]**

- (1) Slicing method
- (2) Total output
- (3) Pure competition
- (4) Entrepreneur
- (5) Macro economics
- (6) Repo rate

**(B) Give reasons or explain the following (Any THREE):****(6)**

- (1) Theories of micro economics are based on certain assumptions.
- (2) Utility is a relative concept.
- (3) Demand for the commodity having multiple uses is elastic.
- (4) Old age pension is transfer income.
- (5) The propensity to save depends upon the level of income.
- (6) Central bank acts as a lender of the last resort of commercial banks.

**Q.3. (A) Distinguish between any THREE of the following :****(6)[12]**

- (1) Individual demand and Market demand.
- (2) Increase in supply and Decrease in supply.
- (3) Partial equilibrium and General equilibrium.
- (4) Gross Domestic Product at market price and Gross Domestic Product at factor cost.
- (5) Legal tender money and Non-legal tender money.
- (6) Surplus budget and Deficit budget.

**(B) Write short notes (Any TWO):****(6)**

- (1) Subject matter of micro economics.
- (2) Significance of price elasticity of demand.
- (3) Types of monopoly.
- (4) Types of capital.

**Q.4. Write short answers for the following questions (Any THREE):****[12]**

- (1) Explain the types of utility.
- (2) Explain the features of monopolistic competition.
- (3) Explain the subject matter of macro economics.
- (4) Explain the determinants of aggregate demand.
- (5) Explain the agency function of commercial banks.
- (6) Explain the budget expenditure of the government.

**Q.5. Explain with reasons whether you Agree or Disagree with the following statements (Any THREE):****[12]**

- (1) The law of 'diminishing marginal utility' is important in practice.
- (2) Price is the only determinant of demand.
- (3) Supply curve of labour bends backwards.
- (4) Money also performs certain contingent functions.
- (5) Commercial banks cannot create credit money.
- (6) Cash Reserve Ratio is a quantitative measure of credit control.

**Q.6. Write explanatory answers (Any TWO):****[16]**

- (1) State and explain the 'law of demand' with its exceptions.
- (2) Explain any 'two methods' of measuring price elasticity of demand.
- (3) Explain the practical difficulties involved in the measurement of national income.
- (4) What is 'consumption function'? Explain the subjective factors which determine consumption function.