

Reg. No. :

SY-35

Name :

SECOND YEAR HIGHER SECONDARY EXAMINATION, MARCH 2020

Part – III

Time : 2½ Hours

ECONOMICS

Cool-off time : 15 Minutes

Maximum : 80 Scores

General Instructions to Candidates :

- There is a ‘Cool-off time’ of 15 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 15 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 നൽകിയിട്ടുണ്ട്.
- ആവശ്യമുള്ള സ്ഥലത്ത് സമവാക്യങ്ങൾ കൊടുക്കണം.
- പ്രോഗ്രാമുകൾ ചെയ്യാനാകാത്ത കാൽക്കുലേറ്ററുകൾ ഒഴികെയുള്ള ഒരു ഇലക്ട്രോണിക് ഉപകരണവും പരീക്ഷാഹാളിൽ ഉപയോഗിക്കുവാൻ പാടില്ല.

Answer any 10 questions from 1 to 12. Each carries 1 score.

(10 × 1 = 10)

1. The famous book “General Theory of Employment, Interest and Money” was written by
 - (a) Adam Smith
 - (b) J.M. Keynes
 - (c) Paul A. Samuelson
 - (d) David Ricardo

2. In a Centrally Planned Economy all important economic activities are organized by
 - (a) Government
 - (b) Market
 - (c) Both government and market
 - (d) None of these

3. Which of the following causes rightward shift of the supply curve ?
 - (a) Rise in input price
 - (b) Technological progress
 - (c) Imposition of unit tax
 - (d) None of these

4. Total revenue curve under perfect competition is
 - (a) Downward sloping from left to right
 - (b) Upward rising from the point of origin
 - (c) Parallel towards X axis
 - (d) Parallel towards Y axis

5. Financial year in India
 - (a) 1 January to 31 December
 - (b) 1 July to 30 June
 - (c) 1 April to 31 March
 - (d) 1 October to 30 September

6. Which of the following is not a feature of capitalist economy ?
- (a) Private ownership of the means of production
 - (b) Profit motive
 - (c) Planning mechanism
 - (d) Price mechanism
7. Which of the following represents budget line equation ?
- (a) $P_1X_1 + P_2X_2 = M$
 - (b) $P_1X_1 + P_2X_2 < M$
 - (c) $P_1X_1 + P_2X_2 > M$
 - (d) None of these
8. Free entry and exit of firms under perfect competition ensures
- (a) super-normal profit
 - (b) loss
 - (c) normal profit
 - (d) none of these
9. Under monopoly market situation if marginal revenue is positive,
- (a) $e_D = 1$
 - (b) $e_D > 1$
 - (c) $e_D < 1$
 - (d) $e_D = 0$
10. In the equation $C = \bar{C} + cY$, ' \bar{C} ' represents
- (a) Autonomous Consumption
 - (b) Marginal Propensity to Consume
 - (c) Marginal Propensity to Save
 - (d) Consumption Function

11. Which of the following does not include in Revenue Receipt ?
- (a) Tax Revenue
 - (b) Recovery of Loans
 - (c) Grants in aid from foreign countries
 - (d) Dividends on investments made by Government
12. Which of the following is not included in the Current Account of Balance of Payments ?
- (a) Trade in goods
 - (b) Trade in services
 - (c) Investments
 - (d) Transfer payments

Answer any 5 questions from 13 to 18. Each carries 2 scores. (5 × 2 = 10)

13. Complete the schedule given below :

Labour	0	1	2	3	4	5	6
Total Product	0	3	10	18	24	29	33
Marginal Product	–						
Average Product	–						

14. Classify the following into microeconomics and macroeconomics :
- Economic Growth, Individual Demand, General Price Level, Profit of a Firm.
15. Distinguish between marginal propensity to consume and marginal propensity to save.
16. Define Oligopoly market. List any two ways by which firms in Oligopoly market behave.

17. Distinguish between normal profit and super-normal profit.

18. Distinguish between balance of payments and balance of trade.

Answer any 6 questions from 19 to 25. Each carries 3 scores. (6 × 3 = 18)

19. Draw the outline of a production possibility frontier and mark the following situations :

- (i) Fuller utilization of resources
- (ii) Under utilization of resources

20. Identify any three features of indifference curve.

21. Explain the three laws of returns to scale.

22. Recently the government of India have decided to restrict the export of onion towards foreign countries. Diagrammatically illustrate the immediate effect of this decision on the equilibrium price and quantity of onion in India.

23. Compare monopoly and monopolistic competition based on the features given below :

Features	Monopoly	Monopolistic Competition
Number of firms		
Entry of firms		
Nature profit in the long-run		

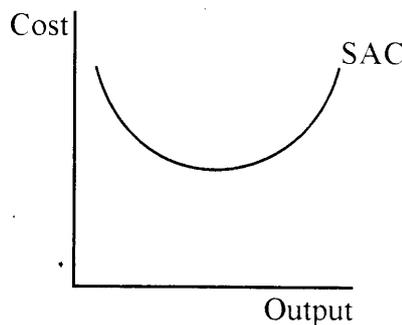
24. Distinguish between public goods and private goods. Write an example of each.
25. Explain the concept of 'Paradox of Thrift'.

Answer any 4 questions from 26 to 30. Each carries 4 scores.

(4 × 4 = 16)

26. (a) Distinguish between the concepts Nominal GDP and Real GDP. (2)
- (b) Which one is considered as a better concept for comparing the GDP among countries ? (1)
- (c) Name the index representing the ratio of Nominal GDP to Real GDP. (1)
27. Explain the determination of equilibrium national output and aggregate demand in a two sector economy with the help of a diagram.

28. The diagram showing Short-run Average Cost (SAC) Curve is given below :



- (a) Incorporate Average Variable Cost (AVC) Curve and Short-run Marginal Cost (SMC) Curve in the diagram. (2)
- (b) Identify the relationship between Short-run Marginal Cost (SMC) and Short-run Average Cost (SAC). (2)

29. Market determined price of paddy in Kerala is ₹ 21 per kilogram. But government intervenes in the market and sets ₹ 26 per kilogram as its minimum price with a view to protect the interests of paddy farmers.
- (a) By what name this policy of government is known ? (1)
- (b) Analyse the consequences of this policy with the help of a diagram. (3)
30. Diagrammatically analyse the short-run equilibrium of a monopoly firm by using total revenue curve and total cost curve.

Answer any 2 questions from 31 to 33. Each carries 5 scores. (2 × 5 = 10)

31. (a) Define foreign exchange market. Identify any two major participants in foreign exchange market. (2)
- (b) Distinguish between flexible exchange rate and fixed exchange rate. (2)
- (c) List any two merits of flexible exchange rate. (1)
32. (a) Identify any four features of a perfectly competitive market.
- (b) Diagrammatically explain the profit maximization of a firm in the short-run under perfect competition.
33. (a) Identify the formulae for calculating revenue deficit, fiscal deficit and primary deficit. (3)
- (b) Suggest any two measures for reducing fiscal deficit. (2)

Answer any 2 questions from 34 to 36. Each carries 8 scores.

(2 × 8 = 16)

34. (a) Define price elasticity of demand. Analyse any two factors determining price elasticity of demand for a commodity. (3)
- (b) Draw three constant elasticity demand curves and mark the value of price elasticity of demand on each of them. (3)
- (c) When the price of a commodity falls from ₹ 6 to ₹ 4 per unit, its quantity demanded rises from 40 units to 50 units. Calculate the price elasticity of demand. (2)
35. (a) Explain the product method and expenditure method of calculating gross domestic product. (6)
- (b) Discuss any two limitations of using gross domestic product as an index of welfare of a country. (2)
36. People desire to hold money balance mainly for two motives. Explain these two motives.
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