

Economics

2012 March

Arts, Commerce 12th HSC

Board Exam

Maharashtra State Board

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1500

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(E)

ECONOMICS (49)

Time : 3 Hrs.

(4 Pages)

Max. Marks : 100

- Note :**
- (1) All questions are compulsory.
 - (2) Give tables / diagrams wherever necessary.
 - (3) Figures to the right indicate full marks.
 - (4) Answer to every question must be started on a new page.

Q. 1. (A) Fill in the blanks with appropriate words from the brackets : [20]

- (1) Economics is a science.
(natural / social / ethical / technical)
- (2) appears in monopoly market.
(Product differentiation / Price discrimination / Large number of sellers / Free entry)
- (3) Stock of is not possible.
(capital / land / labour / money)
- (4) Transfer of value is a function of money.
(primary / secondary / contingent / original)
- (5) is the traditional weapon of credit control.
(Bank rate / Direct action / Moral persuasion / Issue of direction)

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P.T.O.

(B) State whether the following statements are TRUE or FALSE: (5)

- (1) Total utility increases at increasing rate.
- (2) Demand increases, when the price decreases.
- (3) Demand for durable goods tend to be elastic.
- (4) Law of demand is applicable to prestigious goods.
- (5) Macro economics concentrates on the study of whole economy.

(C) Choose the correct answer from the following alternatives : (5)

- (1) Marginal utility of money can never be
 - (a) zero
 - (b) falling
 - (c) constant
 - (d) average
- (2) Demand for luxury goods is
 - (a) elastic
 - (b) inelastic
 - (c) unitary
 - (d) perfectly elastic
- (3) With increase in income saving
 - (a) decreases
 - (b) increases
 - (c) remains constant
 - (d) is not variable
- (4) The cheque which is useful in travelling is
 - (a) traveller's cheque
 - (b) crossed cheque
 - (c) simple cheque
 - (d) overdraft
- (5) When expenditure equals with receipts, it is budget.
 - (a) balanced
 - (b) surplus
 - (c) deficit
 - (d) family

(D) Match the following Group 'A' with Group 'B' : (5)

- | Group 'A' | Group 'B' |
|--------------------------|-----------------------------------|
| (a) Price and demand | (1) Expenditure on defence |
| (b) Inelastic demand | (2) Average propensity to consume |
| (c) Govt. expenditure | (3) Less rate of interest |
| (d) Consumption function | (4) High rate of interest |
| (e) Current deposits | (5) Salt |
| | (6) Inverse relationship |
| | (7) Electricity |

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Q. 2. (A) Define or Explain the following concepts. (Any FOUR) : (8) [16]

- (1) Micro economics
- (2) Individual demand schedule
- (3) Variable capital
- (4) Net national income
- (5) Marginal propensity to consume
- (6) Current deposit
- (7) Revenue expenditure
- (8) Balanced budget

(B) Explain with reasons whether the following statements are True or False (Any FOUR) : (8)

- (1) Goods which have many substitutes have elastic demand.
- (2) Product differentiation is the feature of monopolistic competition.
- (3) Macro economics studies one family.
- (4) Labour is one of the determinants of aggregate supply.
- (5) Banks discourage the use of cheques.
- (6) Central bank has the monopoly of issuing notes.
- (7) The main objective of macro economics is economic growth.
- (8) The period of budget is one year.

Q. 3. (A) Distinguish between (Any FOUR) : (8) [16]

- (1) Micro economics and Macro economics.
- (2) Direct demand and Indirect demand.
- (3) Price elasticity of demand and Income elasticity of demand.
- (4) Individual supply and Market supply.
- (5) Personal income and National income.
- (6) Consumption and Saving.
- (7) Saving deposits and Current deposits.
- (8) Deficit budget and Surplus budget.

(B) Give reasons or explain the following (Any FOUR) : (8)

- (1) Utility has no ethical significance.
- (2) There are some assumptions to the law of demand.

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- (3) Supply cannot exceed stock.
- (4) Price discrimination is possible in monopoly.
- (5) Labour is a perishable factor.
- (6) Value of final goods should be measured in gross National product.
- (7) Money is what money does.
- (8) In the barter system there is direct exchange of goods.

Q. 4. (A) Write answers in 'one' or 'two' paragraph each. [16]
(Any TWO) : (8)

- (1) Write the characteristics of Capital.
- (2) Explain the expenditure method of measuring National income.
- (3) Explain the concept of Saving function.
- (4) Explain the secondary functions of Money.

(B) Write explanatory notes on. (Any TWO) : (8)

- (1) Characteristics of Micro economics.
- (2) Determinants of Aggregate supply.
- (3) General utility functions of a Commercial bank.
- (4) Components of Government budget.

Q-5. Do you agree with the following statements? Give reasons. [16]
(Any TWO) :

- (1) Demand curve always slopes downwards.
- (2) Macro economics has many features.
- (3) Issuing currency is only one function of the Central bank.

Q. 6. Answer in detail. (Any TWO) : [16]

- (1) Explain the relationship between Marginal utility and Total utility with diagram.
- (2) Explain the price equilibrium under perfect competition.
- (3) Explain the exceptions of the law of supply.

