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ICSE Specimen 2014 Economics

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ECONOMICS

(Two hours)

Answer to this paper must be written on the paper provided separately.

You will **not** be allowed to write during the first **15** minutes.

This time is to be spent in reading the question paper.

The time given at the head of this paper is the time allowed for writing the answers.

Attempt **all** questions from **Section A** and any **four** questions from **Section B**.

The intended marks for questions or parts of questions are given in brackets [].

SECTION A (40 Marks)

Attempt **all** questions from this Section

Question 1

- (a) Land is heterogeneous in nature. Explain. [2]
- (b) What is meant by efficiency of labour? Give one reason for low efficiency of labour in India. [2]
- (c) Mention two important characteristics of Capital as a factor of production. [2]
- (d) State two qualities of a successful entrepreneur. [2]
- (e) Mention two factors which gave birth to the Consumer Movement. [2]

Question 2

- (a) What are inferior goods? Give an example. [2]
- (b) Mention two reasons behind the leftward shift of a supply curve. [2]
- (c) What is meant by Price Elasticity of Demand? When will the Demand Curve be parallel to X-axis? [2]
- (d) Draw:
 - (i) Unitary Elastic Supply curve
 - (ii) Perfectly Inelastic supply curve [2]
- (e) Define Food Adulteration. Name two health problems caused due to adulterated food. [2]

Question 3

- (a) Mention two merits of direct tax. [2]
 - (b) What is public expenditure? [2]
 - (c) What is meant by productive and unproductive debt? [2]
 - (d) State two differences between progressive and proportional taxation. [2]
 - (e) Where should the consumer go to get justice? [2]
- Mention two consumer rights.

Question 4

- (a) State two primary functions of money. [2]
- (b) What is meant by double co-incidence of wants? [2]
- (c) Mention two advantages of a bank account. [2]
- (d) Briefly explain Creeping and Hyper inflation. [2]
- (e) Which section of society gains due to inflation? Why? [2]

SECTION B (40 Marks)

Attempt **any four** questions from this Section

Question 5

- (a) Explain five reasons for the low rate of capital formation in India. [5]
- (b) What is meant by division of labour? Explain two advantages and two disadvantages of division of labour. [5]

Question 6

- (a) Define demand. Explain any four factors affecting the demand for a commodity. [5]
- (b) Distinguish between contraction of supply and decrease in supply with the help of diagrams. [5]

Question 7

- (a) Give five reasons for the growth of public expenditure in recent times. [5]
- (b) What is a tax? Explain two merits and two demerits of progressive tax structure. [5]

Question 8

- (a) Define money. Explain various stages in the evolution of money. [5]
- (b) Explain five measures adopted by the Central Bank to control inflation. [5]

Question 9

- (a) Give five ways by which the consumers are exploited? [5]
- (b) Explain the following rights given to consumers:
 - (i) Right to be informed.
 - (ii) Right to choose. [5]

Question 10

- (a) Explain five circumstances under which the law of demand does not operate. [5]
- (b) State five differences between the Central Bank and a Commercial Bank. [5]