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ICSE Specimen 2013 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) What is the R T I Act? When was it enacted? [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? Mention *two* consumer rights. [2]

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]