

**Series ONS/1**

**Set 1**

कोड नं.  
Code No. **58/1/1**

रोल नं.  
Roll No. 

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परीक्षार्थी कोड को उत्तर-पुस्तिका के मुख-पृष्ठ पर अवश्य लिखें।  
Candidates must write the Code on the title page of the answer-book.

- कृपया जाँच कर लें कि इस प्रश्न-पत्र में मुद्रित पृष्ठ **16** हैं।
- प्रश्न-पत्र में दाहिने हाथ की ओर दिए गए कोड नम्बर को छात्र उत्तर-पुस्तिका के मुख-पृष्ठ पर लिखें।
- कृपया जाँच कर लें कि इस प्रश्न-पत्र में **30** प्रश्न हैं।
- कृपया प्रश्न का उत्तर लिखना शुरू करने से पहले, प्रश्न का क्रमांक अवश्य लिखें।
- इस प्रश्न-पत्र को पढ़ने के लिए 15 मिनट का समय दिया गया है। प्रश्न-पत्र का वितरण पूर्वाह्न में 10.15 बजे किया जाएगा। 10.15 बजे से 10.30 बजे तक छात्र केवल प्रश्न-पत्र को पढ़ेंगे और इस अवधि के दौरान वे उत्तर-पुस्तिका पर कोई उत्तर नहीं लिखेंगे।
- Please check that this question paper contains **16** printed pages.
- Code number given on the right hand side of the question paper should be written on the title page of the answer-book by the candidate.
- Please check that this question paper contains **30** questions.
- **Please write down the Serial Number of the question before attempting it.**
- 15 minutes time has been allotted to read this question paper. The question paper will be distributed at 10.15 a.m. From 10.15 a.m. to 10.30 a.m., the students will read the question paper only and will not write any answer on the answer-book during this period.

**अर्थशास्त्र**

**ECONOMICS**

*निर्धारित समय : 3 घण्टे]*

*Time allowed : 3 hours ]*

*[ अधिकतम अंक : 100*

*[ Maximum marks : 100*

**निर्देश:**

1. दोनों खंडों के सभी प्रश्न अनिवार्य हैं।

[P.T.O.]

2. प्रश्नों के अंक प्रत्येक प्रश्न के सामने दिए गए हैं।
3. प्रश्न सं. 1-5 और 16-20 अतिलघूत्तर प्रश्न हैं। प्रत्येक के लिए 1 अंक निर्धारित है। प्रत्येक का उत्तर एक वाक्य में हो।
4. प्रश्न सं. 6-8 और 21-23 लघूत्तर प्रश्न हैं जिनमें प्रत्येक के लिए 3 अंक निर्धारित हैं। सामान्यतया प्रत्येक का उत्तर 60 शब्दों से अधिक न हो।
5. प्रश्न सं. 9-11 और 24-26 भी लघूत्तर प्रश्न हैं जिनमें प्रत्येक के लिए 4 अंक निर्धारित हैं। प्रत्येक का उत्तर सामान्यतया 70 शब्दों से अधिक न हो।
6. प्रश्न सं. 12-15 और 27-30 दीर्घउत्तर प्रश्न हैं और उनमें प्रत्येक के लिए 6 अंक निर्धारित हैं। उनमें प्रत्येक का उत्तर सामान्यतया 100 शब्दों से अधिक न हो।
7. उत्तर संक्षिप्त और विषयानुरूप हो तथा यथासंभव उत्तरों के लिए निर्धारित शब्द-सीमा का आवश्यक रूप से पालन किया जाये।

**Instructions :**

1. All questions in both the sections are compulsory.
2. Marks for questions are indicated against each question.
3. Question No. 1-5 and 16-20 are very short answer questions carrying 1 mark each. They are required to be answered in one sentence.
4. Question No. 6-8 and 21-23 are short answer questions carrying 3 marks each. Answers to them should not normally exceed 60 words each.

5. *Question No. 9-11 and 24-26 are also short answer questions carrying 4 marks each. Answers to them should not normally exceed 70 words each.*
6. *Question No. 12-15 and 27-30 are long answer questions carrying 6 marks each. Answers to them should not normally exceed 100 words each.*
7. *Answer should be brief and to the point and the above word limit be adhered to as far as possible.*

**खंड अ**  
**SECTION A**

1. जब सीमांत लागत बढ़ रही हो और औसत परिवर्ती लागत घट रही हो तो सीमांत लागत और औसत परिवर्ती लागत में क्या संबंध होता है? 1

What is the relation between marginal cost and average variable cost when marginal cost is rising and average variable cost is falling ?

2. मान लीजिए कि एक वस्तु की अधिकाधिक इकाइयाँ बेचने पर कुल सम्प्राप्ति (आगम) स्थिर दर से बढ़ती रहती है। ऐसी स्थिति में सीमांत सम्प्राप्ति : (सही विकल्प चुनिए) 1

- (a) औसत सम्प्राप्ति से अधिक होगी
- (b) औसत सम्प्राप्ति के समान होगी
- (c) औसत सम्प्राप्ति से कम होगी
- (d) बढ़ रही होगी।

Suppose total revenue is rising at a constant rate as more and more units of a commodity are sold, marginal revenue would be :  
(choose the correct alternative)

- (a) Greater than average revenue
- (b) Equal to average revenue
- (c) Less than average revenue
- (d) Rising

3. माँग में 'वृद्धि' कब होती है? 1

When does 'increase' in demand take place ?

4. 'समानुत्पाद' इसकी विशेषता है : (सही विकल्प चुनिए) 1

- (a) केवल पूर्ण प्रतियोगिता
- (b) केवल पूर्ण अल्पाधिकार
- (c) (a) और (b) दोनों
- (d) उपरोक्त में कोई नहीं

'Homogenous products' is a characteristic of : (choose the correct alternative)

- (a) Perfect competition only
- (b) Perfect oligopoly only
- (c) Both (a) and (b)
- (d) None of the above

5. एक फर्म के उत्पाद की कीमत और माँग के बीच विपरीत संबंध होता है : (सही विकल्प चुनिए)

1

- (a) केवल एकाधिकार में
- (b) केवल एकाधिकारिक प्रतियोगिता में
- (c) एकाधिकार और एकाधिकारिक प्रतियोगिता दोनों में
- (d) केवल पूर्ण प्रतियोगिता में

There is inverse relation between price and demand for the product of a firm under : (choose the correct alternative)

- (a) Monopoly only
  - (b) Monopolistic competition only
  - (c) Both under monopoly and monopolistic competition
  - (d) Perfect competition only
6. एक उपभोक्ता केवल दो वस्तुओं X और Y का उपभोग करता है। X और Y की सीमांत उपयोगिता क्रमशः 5 और 4 है। X और Y की कीमत क्रमशः 4 रु. प्रति इकाई और 5 रु. प्रति इकाई है। क्या उपभोक्ता संतुलन में है? उपभोक्ता की आगे प्रतिक्रिया क्या होगी? समझाइए।

3

A consumer consumes only two goods X and Y. Marginal utilities of X and Y are 5 and 4 respectively. The prices of X and Y are Rs. 4 per unit and Rs. 5 per unit respectively. Is the consumer in equilibrium? What will be the further reaction of the consumer? Explain.

7. दो वस्तुओं X और Y की कीमत-माँग लोच क्रमशः  $-2$  और  $-3$  है। इनमें से किसकी कीमत-माँग लोच अधिक है और क्यों? 3

Price elasticity of demand of good X is  $-2$  and of good Y is  $-3$ . Which of the two goods is more price elastic and why ?

8. अधिकतम कीमत सीमा निर्धारण क्या है? इसके परिणाम समझाइए?

**अथवा**

यदि बाजार कीमत संतुलन कीमत से कम हो तो इसके कारण होने वाले प्रभावों की शृंखला समझाइए। 3

What is maximum price ceiling ? Explain its implications.

**Or**

Explain the chain effects, if the prevailing market price is below the equilibrium price.

9. संबंधित वस्तुओं की कीमतों में परिवर्तन के दी गयी वस्तु की माँग पर प्रभाव समझाइए। 4

Explain the effect of change in prices of the related goods on demand for the given good.

10. उत्पादन फलन की परिभाषा दीजिए। अल्पकालीन और दीर्घकालीन उत्पादन फलनों के बीच भेद कीजिए।

**अथवा**

लागत की परिभाषा दीजिए। अचल और परिवर्ती लागतों के बीच भेद कीजिए। प्रत्येक का एक-एक उदाहरण दीजिए।

4

Define production function. Distinguish between short run and long run production functions.

**Or**

Define cost. Distinguish between fixed and variable costs. Give one example of each.

11. एक उत्पादक 10 रु. प्रति इकाई पर एक वस्तु की 80 इकाई की पूर्ति करता है। पूर्ति की कीमत लोच 4 है। 9 रु. प्रति इकाई पर वह कितनी पूर्ति करेगा ?

4

A producer supplies 80 units of a good at a price of Rs. 10 per unit. Price elasticity of supply is 4. How much will he supply at Rs. 9 per unit ?

12. यह मान कर कि कोई भी संसाधन सभी वस्तुओं के उत्पादन में एक समान दक्ष नहीं होता, उस वक्र का नाम बताइए जो अर्थव्यवस्था की उत्पादन क्षमता को दिखाता है। कारण बताते हुए इसकी विशेषताएँ बताइए।

6

Assuming that no resource is equally efficient in production of all goods, name the curve which shows production potential of the economy. Explain, giving reasons, its properties.

13. अनधिमान वक्र विश्लेषण में उपभोक्ता संतुलन की शर्तें समझाइए। 6

Explain the conditions of consumer's equilibrium using indifference curve analysis.

14. “आपूर्ति मात्रा में परिवर्तन” और “आपूर्ति में परिवर्तन” के बीच अंतर समझाइए।  
रेखाचित्र का प्रयोग कीजिए। 6

Explain the distinction between “change in quantity supplied” and “change in supply”. Use diagram.

**नोट : केवल दृष्टि बाधित परीक्षार्थियों के लिए प्रश्न संख्या 14 के स्थान पर।**

“आपूर्ति मात्रा में परिवर्तन” और “आपूर्ति में परिवर्तन” के बीच अंतर समझाइए।  
तालिका का प्रयोग कीजिए।

**Note : For blind candidates in lieu of Q. No. 14.**

Explain the distinction between “change in quantity supplied” and “change in supply”. Use schedule.

15. एक पूर्ण प्रतियोगी बाजार में निम्नलिखित के परिणाम समझाइए : 6

- (a) क्रेताओं की बड़ी संख्या
- (b) फर्मों को प्रवेश और निकासी की स्वतंत्रता

**अथवा**

एक अल्पाधिकार बाजार में निम्नलिखित के परिणाम समझाइए :

- (a) फर्मों की परस्पर निर्भरता
- (b) गैर-कीमत प्रतियोगिता



Explain the implications of the following in a perfectly competitive market :

- (a) Large number of buyers
- (b) Freedom of entry and exit to firms

**OR**

Explain the implications of the following in an oligopoly market :

- (a) Inter-dependence between firms
- (b) Non-price competition

**खंड ब**

**SECTION B**

**16. स्टॉक की परिभाषा दीजिए।** 1

Define stocks.

**17. अचल पूँजीगत परिसम्पत्तियों के मूल्यहास से अभिप्राय यह है : (सही विकल्प चुनिए)** 1

- (a) केवल सामान्य घिसाई
- (b) केवल प्रत्याशित अप्रचलन
- (c) सामान्य घिसाई और प्रत्याशित अप्रचलन
- (d) केवल अप्रत्याशित अप्रचलन

Depreciation of fixed capital assets refers to : (choose the correct alternative)

- (a) Normal wear and tear
- (b) Foreseen obsolescence
- (c) Normal wear and tear and foreseen obsolescence
- (d) Unforeseen obsolescence

18. राजस्व व्यय से क्या अभिप्राय है?

1

What is revenue expenditure ?

19. राजकोषीय घाटा इसके समान होता है : (सही विकल्प चुनिए)

1

- (a) ब्याज भुगतान
- (b) ऋण
- (c) ब्याज भुगतान घटा ऋण
- (d) ऋण घटा ब्याज भुगतान

Fiscal deficit equals : (choose the correct alternative)

- (a) Interest payments
- (b) Borrowings
- (c) Interest payments less borrowing
- (d) Borrowings less interest payments

20. अन्य विदेशी विनिमय लेनदेनों पर निर्भर विदेशी विनिमय लेनदेन यह कहलाते हैं :

(सही विकल्प चुनिए)

1

- (a) चालू लेन-देन
- (b) पूँजीगत लेन-देन
- (c) स्वतंत्र लेन-देन
- (d) समायोजन हेतु लेन-देन

Foreign exchange transactions dependent on other foreign exchange transactions are called : (choose the correct alternative)

- (a) Current account transactions
- (b) Capital account transactions
- (c) Autonomous transactions
- (d) Accommodating transaction

21. कारक लागत पर निवल मूल्य वृद्धि ज्ञात कीजिए :

(रु. लाखों में)

- |  |    |
|--|----|
| (i) 10 वर्ष के जीवनकाल की स्थायी उपयोग उत्पादक वस्तुएँ | 10 |
| (ii) एक उपयोग उत्पादक वस्तुएँ                          | 5  |
| (iii) बिक्री   | 20 |
| (iv) वर्ष के दौरान उत्पादित अनबिका माल                 | 2  |
| (v) उत्पादन पर कर                                      | 1  |

3

Find net value added at factor cost :

(Rs. Lakh)

(i) Durable use producer goods with a life span of 10 years	10
(ii) Single use producer goods	5
(iii) Sales	20
(iv) Unsold output produced during the year	2
(v) Taxes on production	1

22. सीमांत उपभोग प्रवृत्ति और औसत उपभोग प्रवृत्ति में भेद कीजिए। एक सांख्यिकीय उदाहरण दीजिए।

**अथवा**

अधिमाँग को कम करने में कराधान की भूमिका समझाइए। 3

Distinguish between marginal propensity to consume and average propensity to consume. Give a numerical example.

**Or**

Explain the role of taxation in reducing excess demand.

23. एक अर्थव्यवस्था में निवेश में 300 करोड़ रु. की वृद्धि की जाती है। यदि सीमांत उपभोग प्रवृत्ति  $\frac{2}{3}$  हो तो राष्ट्रीय आय में वृद्धि ज्ञात कीजिए। 3

In an economy investment is increased by Rs. 300 crore. If marginal propensity to consume is  $\frac{2}{3}$ , calculate increase in national income.

24. आम जनता के बीच योगाभ्यास लोकप्रिय करने के लिए सरकार खर्चा करती है। इसके सकल घरेलू उत्पाद और कल्याण पर होने वाले प्रभावों का विश्लेषण कीजिए।

4

Government incurs expenditure to popularize yoga among the masses. Analyse its impact on gross domestic product and welfare of the people.

25. मुद्रा का 'मूल्य संचय' कार्य समझाइए। वस्तु विनिमय के कारण उत्पन्न संबंधित समस्या इससे कैसे दूर हुई?

**अथवा**

मुद्रा का 'लेखा की इकाई' कार्य समझाइए। वस्तु विनिमय के कारण उत्पन्न संबंधित समस्या इससे कैसे दूर हुई?

4

Explain the 'store of value' function of money. How has it solved the related problem created by barter ?

**Or**

Explain the 'unit of account' function of money. How has it solved the related problem created by barter ?

26. खुले बाजार की प्रक्रियाएँ ऋण सृजन पर नियंत्रण करने में किस प्रकार सहायक हैं? समझाइए।

4

Explain how open market operations are helpful in controlling credit creation.

27. सरकारी बजट क्या है? समझाइए कर और आर्थिक सहायता का संसाधनों के वितरण पर प्रभाव डालने के लिए कैसे प्रयोग किया जा सकता है।

**अथवा**

सरकारी बजट में राजस्व प्राप्ति से क्या अभिप्राय है। समझाइए कि सरकारी बजट का अर्थव्यवस्था में कीमत स्थिरता लाने में किस प्रकार प्रयोग किया जा सकता है।

6

What is government budget ? Explain how taxes and subsidies can be used to influence allocation of resources.

**Or**

Define revenue receipts in a government budget. Explain how government budget can be used to bring in price stability in the economy.

28. उपभोग वक्र से बचत वक्र प्राप्त कीजिए और इस प्रक्रिया में लिए जाने वाले चरण बताइए। रेखाचित्र का प्रयोग कीजिए।

6

Given consumption curve, derive saving curve and state the steps taken in the process of derivation. Use diagram.

**नोट : केवल दृष्टिहीन विद्यार्थियों के लिए प्रश्न संख्या 28 के स्थान पर।**

उपभोग फलन के घटक समझाइए। उपभोग फलन से बचत फलन प्राप्त कीजिए।

**Note : For Blind Candidates in lieu of Q. No. 28.**

Explain the components of consumption function. Derive saving function from consumption function.

29. (a) भुगतान संतुलन लेखा के किस उपलेखा में और किस पक्ष पर भारत में किया गया विदेशी निवेश दर्ज किया जाएगा ? कारण दीजिए।
- (b) भारत में विदेशी निवेश का विनिमय दर पर क्या प्रभाव पड़ेगा ? समझाइए। 3, 3
- (a) In which sub-account and on which side of balance of payments account will foreign investments in India be recorded ? Give reasons.
- (b) What will be the effect of foreign investments in India on exchange rate ? Explain.

30. राष्ट्रीय आय और निजी आय ज्ञात कीजिए :

	(करोड़ रु.)	
(i) मजदूरी तथा वेतन	1000	
(ii) विदेशों को निवल चालू हस्तांतरण	20	
(iii) विदेशों को निवल कारक आय का भुगतान	10	
(iv) लाभ	400	
(v) राष्ट्रीय ऋण पर ब्याज	120	
(vi) नियोजकों द्वारा सामाजिक सुरक्षा अंशदान	100	
(vii) सरकार द्वारा चालू हस्तांतरण	60	
(viii) सरकार को प्राप्त राष्ट्रीय आय	150	
(ix) किराया	200	
(x) ब्याज	300	
(xi) रायल्टी	50	4, 2

Find national income and private income :

	(Rs. crores)
(i) Wages and salaries	1000
(ii) Net current transfers to abroad	20
(iii) Net factor income paid to abroad	10
(iv) Profit	400
(v) National debt interest	120
(vi) Social security contributions by employers	100
(vii) Current transfers from government	60
(viii) National income accruing to government	150
(ix) Rent	200
(x) Interest	300
(xi) Royalty	50



# SENIOR SCHOOL CERTIFICATE EXAMINATION MARCH-2016

## MARKING SCHEME – ECONOMICS (DELHI)

### Expected Answers / Value Points

#### (SET-1)

#### GENERAL INSTRUCTIONS :

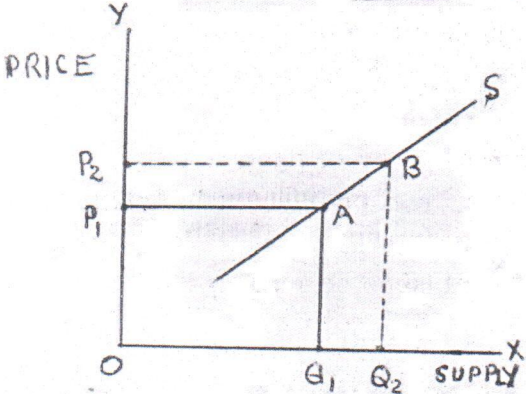
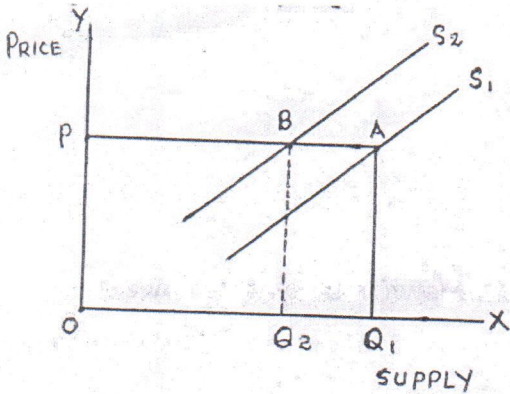
- 1 The Marking Scheme carries only suggested value points for the answers. These are only Guidelines and do not constitute the complete answer. The students can have their own expression and if the expression is correct, the marks be awarded accordingly.
- 2 As per orders of the Hon'ble Supreme Court, the candidates would now be permitted to obtain photocopy of the Answer Book on request on payment of the prescribed fee. All examiners/Head Examiners are once again reminded that they must ensure that evaluation is carried out strictly as per value points for each answer as given in the Marking Scheme.
- 3 All the Head Examiners/Examiners are instructed that while Evaluating the answer scripts, if the answer is found to be totally incorrect, the (x) should be marked on the incorrect answer and awarded '0' marks.
- 4 Please examine each part of a question carefully and allocate the marks allotted for the part as given in the marking scheme below. TOTAL MARKS FOR ANY ANSWER MAY BE PUT IN A CIRCLE ON THE LEFT SIDE WHERE THE ANSWER ENDS.
- 5 Expected suggested answers have been given in the Marking Scheme. To evaluate the answers the value points indicated in the marking scheme should be followed.
- 6 For questions asking the candidate to explain or define, the detailed explanations and definitions have been indicated alongwith the value points.
- 7 For mere arithmetical errors, there should be minimal deduction. Only  $\frac{1}{2}$  mark should be deducted for such an error.
- 8 Where only two / three or a 'given' number of examples / factors / points are expected only the first two / three or expected number should be read. The rest are irrelevant and must not be examined.
- 9 There should be no effort at "moderation" of the marks by the evaluating teachers. The actual total marks obtained by the candidate may be of no concern to the evaluators.
- 10 Higher order thinking ability questions are for assessing a student's understanding / analytical ability.

**General Note:** In case of a numerical question, no marks should be awarded if only the final answer has been given, even if it is correct.

A1	Expected Answer / Value Points	Distribution of Marks
<b>SECTION - A</b>		
1	MC is less than AVC	1
2	(b) Equal to Average Revenue	1
3	When demand increases due to any factor other than own price of the good <b>OR</b> naming a factor e.g. rise in price of substitute or any other.	1
4	(c) Both (a) and (b)	1
5	(c) Both monopoly and monopolistic competition	1
6	The consumer is not in equilibrium because : $\frac{MU_x}{P_x} > \frac{MU_y}{P_y}$ or $\frac{5}{4} > \frac{4}{5}$ The consumer will buy more of X and less of Y because per rupee MU <sub>x</sub> is higher than per rupee MU <sub>y</sub> and continues to do so till MU <sub>x</sub> falls and MU <sub>y</sub> rises enough to make $\frac{MU_x}{P_x} = \frac{MU_y}{P_y}$ .	1  2
7	Y is more price elastic because one percent fall (rise) in price will lead to higher percent i.e. rise (fall) in demand.  <b>(or any other relevant explanation)</b>	3
8	Maximum price of a good refers to the maximum price of a good a seller is allowed to charge by government <b>(Diagram not required)</b> Since such a price is below the equilibrium price, it leads to shortage because demand is greater than supply at this price. The shortage in turn may lead to black marketing <b>(Diagram not required)</b> <b>OR</b> When market price is below the equilibrium price demand becomes greater than supply and excess demand emerges. Since buyers will not be able to buy all they want to buy there is competition between buyers leading to rise in price. Rise in price causes fall in demand (contraction) and rise in supply (expansion). This continues till the price reaches equilibrium again. <b>(Diagram not required)</b>	1  2  3
9	Related goods are of two types : substitutes goods and complementary goods. When price of the substitute good rises (falls), demand for the given good rises (falls) because the given good becomes relatively cheaper (dearer) than the substitute good.  When price of the complementary good rises (falls) its demand falls (rises) and demand for the given good falls (rises) because the two goods are used jointly.	2  2



10	<p><b>Production function</b> refers to mathematical relation between physical input and physical output.</p> <p><b>Short run</b> production function refers to a situation when output is increased by changing only one input while keeping other inputs unchanged.</p> <p><b>Long run</b> production function refers to a situation when output is increased by increasing all the inputs simultaneously and in the same proportion.</p> <p style="text-align: center;"><b>OR</b></p> <p><b>Cost:</b> in economics means the sum of actual money expenditure on inputs and imputed expenditure on inputs supplied by the owner including normal profit.</p> <p><b>Fixed cost :</b> refers to cost which remains unchanged as output is increased. For example rent, interest etc. (any one)</p> <p><b>Variable cost :</b> refers to cost which rises/falls as output is increased/decreased. For example cost of raw materials etc. (any one)</p>	<p>1</p> <p>1½</p> <p>1½</p> <p>1</p> <p>1½</p> <p>1½</p>
11	$E_s = \frac{P}{Q} \times \frac{\Delta Q}{\Delta P}$ $4 = \frac{10}{80} \times \frac{\Delta Q}{-1}$ $\left. \begin{array}{l} 10\Delta Q = -320 \\ \Delta Q = -32 \end{array} \right\}$ <p>New supply = <math>Q + \Delta Q = 80 + (-32) = 48</math> Units</p>	<p>2</p> <p>1</p> <p>½</p> <p>½</p>
12	<p>The curve is called production possibilities frontier or curve</p> <p><b>Properties</b></p> <p><b>(1) PPF slope downwards from left to right</b> It is because to produce more quantity of one good, some quantity of other good has to be sacrificed because resources are limited.</p> <p><b>(2) PPF is Concave</b> This implies that slope of the curve (i.e. marginal rate of transformation) increases as we move along the curve from left to right. MRT increases because no resource is equally efficient in production of all goods, so that to obtain more quantity of one good, the quantity of the other good is sacrificed at an increasing rate. (Diagram not required)</p>	<p>1</p> <p>1</p> <p>1½</p> <p>1</p> <p>1½</p>

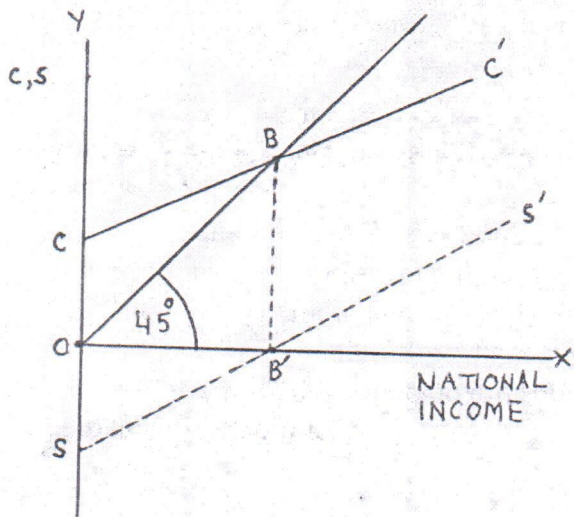
13	<p>Given that two goods are X and Y, the two conditions are</p> <ol style="list-style-type: none"> <li>1. <math>MRS = \frac{P_x}{P_y}</math></li> <li>2. MRS declines as more of a commodity X is consumed.</li> </ol> <p><b>Explanation:</b></p> <p>(i) Suppose <math>MRS &gt; \frac{P_x}{P_y}</math>. It means that consumer is willing to pay more for an extra unit of X as compared to what market price is. The consumer consumes more and more of good X and less of good Y till MRS falls enough to be equal to the ratio of prices and the consumer is in equilibrium.</p> <p>(ii) Unless MRS declines continuously as more and more of good X is consumed, it will not be equal to <math>\frac{P_x}{P_y}</math> and consumer will not be able to reach the equilibrium.</p>	<p>1</p> <p>1</p> <p>3</p> <p>1</p>
14	<p><b>"Change in quantity supplied"</b> means change in supply due to change in own price of the good.</p> <p>Diagrammatically, it implies movement along the supply curve. When the producer moves from A to B, the rise in quantity of the good from <math>OQ_1</math> to <math>OQ_2</math> is on account of rise in price from <math>OP_1</math> to <math>OP_2</math></p>  <p>(Answer based on downward movement is also correct)</p> <p><b>"Change in supply"</b> means change in supply due to change in any factor other than the own price of the good.</p> <p>Diagrammatically, it means shift of supply curve when producer moves from A to B, the price remains unchanged at OP while the supply curve shifts from <math>S_1</math> to <math>S_2</math>. When the producer shifts from <math>S_1</math> to <math>S_2</math> the supply falls from <math>OQ_1</math> to <math>OQ_2</math>.</p>  <p>(Answer based on shift to the right is also correct)</p>	<p>1</p> <p>2</p> <p>1</p> <p>2</p>



	<p><u>For blind Candidates:</u></p> <p><b>"Change in quantity supplied"</b> means change in supply due to change in own price of the good.</p> <table><tr><td>Price (Rs.)</td><td>Supply (units)</td></tr><tr><td>10</td><td>100</td></tr><tr><td>11</td><td>120</td></tr></table> <p><b>"Change in supply"</b> means change in supply due to change in any factor other than the own price of the good.</p> <table><tr><td>Price (Rs.)</td><td>Supply (units)</td></tr><tr><td>10</td><td>100</td></tr><tr><td>10</td><td>120</td></tr></table>	Price (Rs.)	Supply (units)	10	100	11	120	Price (Rs.)	Supply (units)	10	100	10	120	<p>1</p> <p>2</p> <p>1</p> <p>2</p>
Price (Rs.)	Supply (units)													
10	100													
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10	100													
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15	<p>(a) <b>Large number of buyers</b> :implies that number of buyers is large enough so that each individual buyer has a negligible share in market demand for the good. The implication is that no individual buyer is in a position to influence the market price on its own by changing his individual demand.</p> <p>(b) <b>Freedom of entry and exit offirms</b> :implies that there are no obstacles for the firms to move in and out of industry. The implication is that when existing firms are making profits, new firms enter, raise the output of industry, bring down the market price enough for the firm to earn just only normal profit in the long run. The opposite happens if the existing firms are facing losses.</p> <p style="text-align: center;"><b>OR</b></p> <p>(a) <b>Interdependence between firms</b> in an oligopoly market implies that an individual firm takes into consideration the likely reaction of its rival firms before making a move to change price or output. It is possible because it is assumed that rival firms may react.</p> <p>(b) <b>Non-price competition</b> means competition between firms by means other than changing price, like free gift, home service, customer care etc. The firms in oligopoly do so to avoid price-war because the firm who starts the price-war may be the ultimate loser.</p>	<p>3</p> <p>3</p> <p>3</p> <p>3</p>												
	<b><u>SECTION - B</u></b>													
16	Stocks are the variables whose magnitude is measured at a point of time.	1												
17	(c) Normal wear and tear and foreseen obsolescence.	1												
18	<b>Revenue expenditure:</b> refers to the expenditure that neither creates any asset nor reduces any liability.	1												
19	(b) Borrowings.	1												
20	(d) Accommodating transactions.	1												

21	$NVA_{fc} = \text{Sales} + \text{unsold output} - \text{Single use producer goods} - \text{Depreciation} - \text{Taxes on production}$ $= 20 + 2 - 5 - \left(\frac{10}{10}\right) - 1$ $= 20 + 2 - 5 - 1 - 1$ $= \text{Rs. 15 Lakh}$	<p>1½</p> <p>1</p> <p>½</p>
22	<p>MPC is the ratio of change in consumption expenditure (<math>\Delta C</math>) to change in total income (<math>\Delta Y</math>).</p> <p>Suppose <math>\Delta C = 70</math> and <math>\Delta Y = 100</math> then <math>MPC = \frac{70}{100} = 0.7</math></p> <p style="text-align: right;">(or any other example)</p> <p>APC is ratio of total consumption expenditure (<math>C</math>) to total income (<math>Y</math>).</p> <p>Suppose <math>C = 80</math> and <math>Y = 100</math> then <math>APC = \frac{80}{100} = 0.8</math></p> <p style="text-align: right;">(or any other example)</p> <p style="text-align: center;"><b>OR</b></p> <p>By raising taxes government can reduce personal disposable income of the people. This in turn will reduce private final consumption expenditure depending upon MPC. This will reduce aggregate demand.</p>	<p>1</p> <p>½</p> <p>1</p> <p>½</p> <p>3</p>
23	$\Delta Y = \Delta I \frac{1}{1 - MPC}$ $= 300 \frac{1}{1 - \frac{2}{3}}$ $= 300 \times 3 = \text{Rs. 900 crore}$ <p style="text-align: right;">(Answer based on <math>\Delta Y = K \times \Delta I</math> is also correct)</p>	<p>1½</p> <p>1</p> <p>½</p>
24	<p>Government expenditure on popularising yoga raises GDP because it is government's final consumption expenditure. It also raises welfare of the people because yogic exercises may improve health and thus raises efficiency of the people.</p>	<p>4</p>
25	<p><b>Store of value</b> function of money means that money can be used as an asset for storing value. It further means that the stored money can be used for transactions. in future. This is because money comes in convenient denominations, easily mobile and can easily be used for transactions.</p> <p style="text-align: center;"><b>OR</b></p> <p><b>Unit of account</b> function of money means that money can be used for quoting prices or recording transactions. This removes the difficulty of keeping accounts and makes possible the existence of financial institutions.</p>	<p>4</p> <p>4</p>



26	<p><b>Open market operations:</b> refers to selling and buying of government securities by the central bank. By selling securities in the open market money flow out of commercial banks and into central bank. This reduces demand deposits with the commercial banks and lowers their capacity to create credit. Borrowing from banks becomes less and money supply is reduced.</p>	4
27	<p>Government budget is a statement showing estimated government expenditures and receipts during a financial year.</p> <p>Government can encourage production of selected goods and services by providing tax concessions. For example electricity generation etc. Government can also give subsidies to enterprises who are willing to undertake production in backward areas etc. In this way government budget can be used to influence allocation of resources in the country. Increasing taxes and reducing subsidies will have the opposite effect.</p> <p style="text-align: center;"><b>OR</b></p> <p><b>Revenue receipts</b> are the receipts which do not create liabilities nor lead to reduction in assets.</p> <p>Stability in the economy means keeping fluctuations in the general price level within limits. When there is inflation, government can reduce its own expenditure to bring down the price level. When there is deflation government can increase its own expenditure to fight it. Government can also use taxes and subsidies to influence personal disposable income and bring in economic stability in the country</p>	1  5  1  5
28	<p>Given consumption curve <math>CC'</math> the steps in derivation of saving curve are:</p>  <ul style="list-style-type: none"> <li>• Take OS equal to OC.</li> <li>• Draw a <math>45^\circ</math> line on OX-axis from point O intersecting <math>CC'</math> at point B.</li> <li>• Draw a perpendicular from B to intersect X-axis at <math>B'</math>.</li> <li>• Joint S and <math>B'</math> and extend it to derive saving curve <math>SS'</math></li> </ul>	3  3

	<p><b><u>For blind Candidates:</u></b></p> <p>Consumption function is <math>C = \bar{C} + MPC(Y)</math>  Where C = total consumption expenditure  <math>\bar{C}</math> = Autonomous consumption expenditure  MPC = Marginal Propensity Consume  Y = National Income</p> <p>Derivation</p> $C = \bar{C} + MPC(Y)$ <p>Deduct both side of the equation from Y</p> $Y - C = Y - [\bar{C} + MPC(Y)]$ $S = Y - \bar{C} - MPC(Y)$ $S = -\bar{C} + Y - MPC(Y)$ $= -\bar{C} + Y(1 - MPC)$ $= -\bar{C} + MPS(Y)$	<p>3</p> <p>3</p>
29	<p>(a) Foreign investment will be recorded in the capital account of the BOP a/c because these give rise to foreign exchange liabilities.  Foreign investment will be recorded on the credit side because these bring in foreign exchange to the economy.</p> <p>(b) Foreign investment adds to supply of foreign exchange. Demand remaining unchanged, it brings downward influence on exchange rate.</p>	<p>1½</p> <p>1½</p> <p>3</p>
30	<p><math>N.I. = (i + vi) + (ix + xi) + x + iv - iii</math></p> $= 1000 + 100 + 200 + 50 + 300 + 400 - 10$ $= Rs. 2040 \text{ Crore}$ <p><math>Pr.I = N.I. - (viii) - ii + v + vii</math></p> $= 2040 - 150 - 20 + 120 + 60$ $= Rs. 2050 \text{ Crore}$	<p>2</p> <p>1½</p> <p>½</p> <p>1</p> <p>½</p> <p>½</p>