

अर्थशास्त्र

ECONOMICS

निर्धारित समय : 3 घण्टे]

[अधिकतम अंक : 100

[Maximum marks : 100

Time allowed : 3 hours]

सामान्य निर्देश :

- (i) दोनों खण्डों के सभी प्रश्न अनिवार्य हैं।
- (ii) प्रत्येक प्रश्न के निर्धारित अंक उसके सामने दिए गए हैं।
- (iii) प्रश्न संख्या 1–5 तथा 17–21 अति लघूत्तरात्मक प्रश्न हैं, जिनमें प्रत्येक का 1 अंक है। इनका उत्तर केवल एक वाक्य में ही अपेक्षित है।

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- (iv) प्रश्न संख्या 6–10 और 22–26 लघूत्तरात्मक प्रश्न हैं, जिनमें प्रत्येक के 3 अंक हैं। प्रत्येक का उत्तर सामान्यत: 60 शब्दों से अधिक नहीं होना चाहिए।
- (v) प्रश्न संख्या 11−13 और 27−29 भी लघूत्तरात्मक प्रश्न हैं, जिनमें प्रत्येक के 4 अंक हैं।
 प्रत्येक का उत्तर सामान्यत: 70 शब्दों से अधिक नहीं होना चाहिए।
- (vi) प्रश्न संख्या 14–16 और 30–32 व्याख्यात्मक उत्तर वाले प्रश्न हैं, जिनमें प्रत्येक के
 6 अंक हैं। प्रत्येक का उत्तर सामान्यत: 100 शब्दों से अधिक नहीं होना चाहिए।
- (vii) तारांकित (*) प्रश्न मूल्याधारित प्रश्न हैं।
- (viii) उत्तर संक्षिप्त तथा तथ्यात्मक होने चाहिए तथा यथासंभव ऊपर दी गई सीमा के अंतर्गत ही दिए जाने चाहिए।

General Instructions :

- (i) All questions in both the sections are compulsory.
- (ii) Marks for questions are indicated against each.
- (iii) Question Nos. 1-5 and 17-21 are very short-answer questions carrying I mark each. They are required to be answered in one sentence each.
- (iv) Question Nos. 6-10 and 22-26 are short-answer questions carrying 3 marks each. Answer to them should not normally exceed 60 words each.
- (v) Question Nos. 11-13 and 27-29 are also short-answer questions carrying 4 marks each. Answer to them should not normally exceed 70 words each.
- (vi) Question Nos. 14-16 and 30-32 are long-answer questions carrying 6 marks each. Answer to them should not normally exceed 100 words each.
- (vii) Questions marked star (*) are value based questions.
- (viii) Answer should be brief and to the point and the above word limit should be adhered to as far as possible.

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Section A

*1. सरकार द्वारा किए गए उपायों से बेरोज़गारी कम हो जाती है। उत्पादन संभावना सीमा के संदर्भ में इसका आर्थिक मूल्य बताइए।

Unemployment is reduced due to the measures taken by the government. State its economic value in the context of production possibilities frontier.

बजट सेट की परिभाषा दीजिए।
 Define budget set.

- व्यष्टि अर्थशास्त्र में सम्प्राप्ति (आगम) से क्या अभिप्राय है ? What is meant by revenue in microeconomics ?
- 'एक कारक के प्रतिफल' का अर्थ बताइए। Give meaning of 'returns to a factor.'

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- पूर्ण अल्पाधिकार से क्या अभिप्राय है ? What is perfect oligopoly ? 5.
- 'किसके लिए उत्पादन किया जाय' केन्द्रीय समस्या समझाइए। Explain the central problem 'for whom to produce.' 6.

एक उपभोक्ता 9 रु. प्रति इकाई पर एक वस्तु की 18 इकाइयाँ खरीदता है। वस्तु की कीमत माँग लोच (-)1 है। उपभोक्ता 10 रु. प्रति इकाई पर वस्तु की कितनी इकाइयाँ खरीदेगा ? परिकलन 7. A consumer buys 18 units of a good at a price of Rs. 9 per unit. The price कीजिए। elasticity of demand for the good is (-)1. How many units the consumer will buy

at a price of Rs. 10 per unit ? Calculate.

सीमांत सम्प्राप्ति (आगम) और औसत सम्प्राप्ति (आगम) के बीच संबंध बताइए।

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कुल लागत और सीमांत लागत के बीच संबंध बताइए। State the relation between marginal revenue and average revenue.

Or

State the relation between total cost and marginal cost.

जैसे-जैसे उत्पादन में वृद्धि की जाती है, औसत स्थिर लागत का व्यवहार क्या रहता है ? ऐसा क्यों

What is the behaviour of average fixed cost as output is increased ? Why is it so ? होता है ?

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एक अल्पाधिकार बाजार में फर्मों को परस्पर निर्भर क्यों कहा जाता है ? समझाइए। Why are the firms said to be interdependent in an oligopoly market ? Explain.

एक उपभोक्ता केवल दो वस्तुओं का उपभोग करता है। उपयोगिता विश्लेषण की सहायता से उपभोक्ता संतुलन की व्याख्या कीजिए।

एक उपभोक्ता केवल दो वस्तुओं A और B का उपभोग करता है और संतुलन में है। दिखाइए कैसे जब वस्तु B की कीमत गिरती है तो वस्तु B की मांग बढ़ती है। उपयोगिता विश्लेषण की सहायता से इस प्रश्न का उत्तर दीजिए । A consumer consumes only two goods. Explain consumer's equilibrium with the help of utility analysis.

Or

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A consumer consumes only two goods A and B and is in equilibrium. Show that when price of good B falls, demand for B rises. Answer this question with the help of utility analysis.

- वस्तु की माँग पर उपभोक्ता की आय में परिवर्तन का क्या प्रभाव पड़ता है ? समझाइए।
 What happens to the demand of a good when consumer's income changes ?
 Explain.
- परिवर्ती अनुपातों के नियम के अनुसार सीमांत उत्पाद का व्यवहार बताइए। इस व्यवहार के कारण समझाइए।

State the behaviour of marginal product in the law of variable proportions. Explain the causes of this behaviour.

अनधिमान वक्र विश्लेषण की सहायता से उपभोक्ता संतुलन की शर्तें समझाइए।
 अथवा

अनधिमान वक्रों की तीन विशेषताएँ समझाइए।

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

Or

Explain the three properties of the indifference curves.

15. एक फर्म के बारे में निम्नलिखित सूचना से, सीमांत लागत और सीमांत सम्प्राप्ति (आगम) के आधार पर फर्म का संतुलन उत्पादन ज्ञात कीजिए। कारण बताइए। इस उत्पादन पर लाभ भी ज्ञात कीजिए।

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उत्पादन (इकाई)	कुल सम्प्राप्ति (आगम) (रु.)	कुल लागत (रु.)
PIGH, In 1 we can be	7	
2	14	0
3	21	15
4	28	21
5	35	28

From the following information about a firm, find the firms equilibrium output in terms of marginal cost and marginal revenue. Give reasons. Also find profit at this output.

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Output (units)	Total Revenue (Rs.)	Total Cost (Rs.)
	a summer 7 milits remain	8
2	14	15
3	21	21
4	28	28
5	35	36

16. एक वस्तु का बाजार संतुलन में है। वस्तु की माँग में ''वृद्धि'' हो जाती है। बाजार के दोबारा संतुलन में आने तक इस परिवर्तन के कारण होने वाले प्रभावों की श्रृंखला समझाइए। रेखाचित्र का प्रयोग कीजिए।

Market of a commodity is in equilibrium. Demand for the commodity "increases." Explain the chain of effects of this change till the market again reaches equilibrium. Use diagram.

नोट : निम्नलिखित प्रश्न केवल दृष्टिहीन परीक्षार्थियों के लिए प्रश्न संख्या 16 के स्थान पर है।

एक वस्तु का बाजार संतुलन में है। वस्तु की माँग में 'वृद्धि' हो जाती है। बाजार के दोबारा संतुलन में आने तक इस परिवर्तन के कारण होने वाले प्रभावों की श्रृंखला समझाइए। पहले और बाद के संतुलनों पर कीमतों की तुलना कीजिए।

Note: The following question is for the Blind Candidates only in lieu of Q. No. 16.

Market of a commodity is in equilibrium. Demand for the commodity "increases." Explain the chain of effects of this change till the market reaches equilibrium again. Compare the prices at the old and new equilibrium.

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Section B

17. माँग जमाओं से क्या अभिप्राय है ?What are demand deposits ?

18. अनैच्छिक बेरोजगारी क्या है ?

What is involuntary unemployment ?

- 19. सीमांत उपभोग प्रवृत्ति की परिभाषा दीजिए। Define marginal propensity to consume.
- 20. सरकारी बजट की परिभाषा दीजिए। Define government budget.

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- व्यापार-शेष का अर्थ बताइए। 21. Give meaning of balance of trade.
- बाह्य कारण (बाहरी प्रभाव) की परिभाषा दीजिए। ऋणात्मक बाहरी प्रभाव का एक उदाहरण दीजिए । 22. इसका कल्याण पर क्या प्रभाव पड़ता है ?

Define externalities. Give an example of negative externality. What is its impact on welfare ?

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मुद्रा के 'मूल्य-संचय' कार्य का महत्व समझाइए। 23.

अथवा

मुद्रा के 'विनिमय का माध्यम' कार्य का महत्व समझाइए।

Explain the significance of 'store of value' function of money.

Or

Explain the significance of 'medium of exchange' function of money.

- सरकारी बजट के संदर्भ में क्या निम्नलिखित राजस्व व्यय है या पूँजीगत व्यय ? कारण बताइए।
- कर इकट्ठा करने पर होने वाला व्यय। (i)
- कम्प्यूटर खरीदने पर होने वाला व्यय । (ii)

Is the following revenue expenditure or capital expenditure in the context of government budget ? Give reason. (i)

- Expenditure on collection of taxes. (ii)
- Expenditure on purchasing computers.
- भुगतान संतुलन घाटे का अर्थ समझाइए। 25.

Explain the meaning of balance of payments deficit.

हाल ही में भारत सरकार ने सोने पर आयात शुल्क दुगुना कर दिया। इसका विदेशी विनिमय दर पर 26. क्या प्रभाव पड़ने की संभावना है और कैसे ?

Recently Government of India has doubled the import duty on gold. What impact is it likely to have on foreign exchange rate and how?

मुद्रा आपूर्ति की परिभाषा दीजिए और इसके घटक समझाइए। 27.

अथवा

केन्द्रीय बैंक का 'अंतिम ऋणदाता' कार्य समझाइए।

Define money supply and explain its components.

Or

Explain the 'lender of last resort' function of central bank.

एक अर्थव्यवस्था, जो कि संतुलन में है, के बारे में निम्नलिखित आँकड़ों से निवेश व्यय का परिकलन 28. कीजिए :

राष्ट्रीय आय = 1000

सीमान्त बचत प्रवृत्ति = 0.25

(स्वायत्त) स्वतंत्र उपभोग व्यय = 200

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24.

	hout an economy
expenditure from the following data	a about an course p
Calculate investment expense	a factor and the second s
which is in equilibrium $= 1000$	
National income = 1000	
Marginal propensity to save	्र कि गचा को
Autonomous consumption onper	यह किस आर्थिक मूल्य पग
. सरकार सार्वजनिक वस्तुआ के उत्पादन पर जनस	(i)
दर्शाता है ? समझाइए।	goods. Which economic
Government raises its expenditure on producing part	a no exclusionare (iii)
value does it reflect ? Explain.	नन कीजिए : जीव जीव प्राप्त
कि जियितन से राष्ट्रीय आय और सकल राष्ट्रीय प्रयोज्य आय का पारपर	(अग्ल रु.) के कहा । जन्मी क
	(-)15
विदेशों को निवल पूँजीतर हस्तांतरण	600
(1) निजी अंतिम उपभोग व्यय	20
(11) निजी जात ग	100
(iii) आयिप राज गांव (iii) जाविस उपभोग व्यय	120
(iv) सरकारा जाता गण	20
(v) अप्रत्यदा पर राष्ट्रात	strange 20
(vi) निवल आपाप राजना एँची का उपभोग	()10
(vii) अचल पूर्णा पा उन गरे।	(-)10 site and annihoo
(viii) स्टाक म शुरू परिषत	4+2=6
(ix) विदेशा का निवेश प्रारंभ नाम	110
(x) had a still you have and gross national dis	posable income from the
Calculate national income and group	
following:	(Rs. Arab)
Contra abroad	(-) 15
(i) Net current transfers to abroad	600
(ii) Private final consumption experience	20
(iii) Subsidies	100
(iv) Government final consumption enp	120
(v) Indirect tax	20
(vi) Net imports	35 demand and 35
(vii) Consumption of fixed capital	(-)10 month with the second
(viii) Net change in stocks	5
(ix) Net factor income to abroad	old v nonto 110 nives at and v
(x) Net domestic capital formation	

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कारण बताते हुए समझाइए कि बाजार कीमत पर सकल घरेलू उत्पाद का अनुमान लगाते समय निम्नलिखित के साथ क्या व्यवहार करना चाहिए ?

फर्म द्वारा मैकेनिक को फीस का भुगतान । (i)

- बैंक से लिए गए कार ऋण पर एक व्यक्ति द्वारा किया गया ब्याज का भुगतान। (ii)
- फर्म द्वारा अपने प्रयोग के लिए कार खरीदने पर व्यय। (iii)

Giving reason explain how should the following be treated in estimating gross domestic product at market price ?

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- Fees to a mechanic paid by a firm. (i) (ii)
- Interest paid by an individual on a car loan taken from a bank. (iii)
- Expenditure on purchasing a car for use by a firm.

32.

31.

समग्र माँग और समग्र पूर्ति की सहायता से राष्ट्रीय आय का संतुलन समझाइए। रेखाचित्र का प्रयोग कीजिए। यह भी समझाइए कि यदि अर्थव्यवस्था संतुलन में न हो तो अर्थव्यवस्था में क्या परिवर्तन आते हैं।

अथवा

उपभोग वक्र से बचत वक्र प्राप्त करने के दौरान लिए जाने वाले चरण बताइए। रेखाचित्र का प्रयोग कीजिए।

Explain national income equilibrium through aggregate demand and aggregate supply. Use diagram. Also explain the changes that take place in an economy when the economy is not in equilibrium.

Or

Outline the steps required to be taken in deriving saving curve from the given consumption curve. Use diagram.

नोट: निम्नलिखित प्रश्न केवल दृष्टिहीन परीक्षार्थियों के लिए प्रश्न संख्या 32 के स्थान पर है।

समग्र माँग की परिभाषा दीजिए। समग्र माँग और समग्र पूर्ति की सहायता से राष्ट्रीय आय का संतुलन समझाइए। यह भी समझाइए कि अर्थव्यवस्था संतुलन में न हो तो अर्थव्यवस्था में क्या परिवर्तन आते हैं ?

अथवा

बचत फलन से क्या अभिप्राय है ? उपभोग फलन से इसे कैसे प्राप्त कर सकते हैं ? समझाइए ।

Note: The following question is for the Blind Candidates only in lieu of Q. No. 32.

Define aggregate demand. Explain national income equilibrium through aggregate demand and aggregate supply. Also explain the changes that take place in an economy when the economy is not in equilibrium.

Or

What is saving function ? How it is derived from the consumption function ? Explain.

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SENIOR SCHOOL CERTIFICATE EXAMINATION MARCH-2014

MARKING SCHEME – ECONOMICS (Delhi)

(SET - 1)

Expected Answers / Value Points

GENERAL INSTRUCTIONS:

- 1. 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.
- 2. Expected suggested answers have been given in the Marking Scheme. To evaluate the answers the value points indicated in the marking scheme be followed.
- 3. For questions asking the candidate to explain or define, the detailed explanations and definitions have been indicated alongwith the value points.
- 4. For mere arithmetical errors, there should be minimal deduction. Only ½ mark be deducted for such an error.
- 5. Wherever 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.
- 6. 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.
- 7. Higher order thinking ability questions are assessing student's understanding / analytical ability.
- 8. 🏠 indicates value based questions.

General Note : In case of numerical question no mark is to be given if only the final answer is given.

	A1	Expected Answer / Value Points				
⋫	1	The economic value of reduction in unemployment is that it will help the economy in realizing its production potential.				
	2	Budget set consists of all the bundles of the goods which at given prices cost less than or equal to the given income of the consumer.				
	3	Receipts from sale of a good <u>Or</u> market value of the output produced is called revenue				
	4	Returns to a factor refers to change in output when only one input is changed, other inputs remaining unchanged.	1			

If in an oligopoly market firms produce homogeneous products, it is called perfect oligopoly.	1
For whom to produce means that who will buy the goods and services produced. Clearly, those who have income will be able to buy. So, the problem amounts to how the national income is distributed in an economy.	3
$E_p = \frac{P}{Q} \times \frac{\Delta Q}{\Delta P}$ -1 = $\frac{9}{18} \times \frac{\Delta Q}{1}$	1 1
$9 \times \Delta Q = -18$ $\Delta Q = -2$ Consumer will buy Q + $\Delta Q = 18$ + (-2) = 16 units (No marks if only the final answer is given)	½ %
When MR < AR, AR falls When MR = AR, AR is constant When MR > AR, AR rises OR When TC rises at a decreasing rate, MC falls.	3
When TC rises at a constant rate MC is constant. AFC falls continuously as output is increased.	3
It is because, even when output is increased TFC remains unchanged. (Diagram not required)	2
When there are only a few firms in the market, it is likely that each firm has some knowledge as to how its rivals operate. Each firm expects reactions from the rival firms. Therefore, each firm in deciding price and output, takes into account the expected reactions by the rival firms. In this way the firms are interdependent on each other.	3
Assuming that the only two goods the consumer consumes are X and Y, the conditions of equilibrium are :	
(1) $\frac{MU_x}{P_x} = \frac{MU_y}{P_y}$ (2) MU falls as more is consumed	1 ½
Explanation : (1) Suppose $\frac{MU_X}{P_X} > \frac{MU_Y}{P_y}$. The consumer will not be in equilibriumbecause per rupee MU of X is greater than per rupee MU of Y. This will induce the consumer to buy more of X by reducing expenditure on Y. It will lead to fall in MUx and rise in MUy. This will continue till $\frac{MU_X}{P_X} = \frac{MU_Y}{P_y}$.	2
(2) Unless MU falls as more of a good is consumed the consumer will not reach equilibrium. (Explanation based on $\frac{MU_x}{P_x} < \frac{MU_y}{P_y}$ is also correct.)	¥₂
	If in an oligopoly market firms produce homogeneous products, it is called perfect oligopoly. For whom to produce means that who will buy the goods and services produced. Clearly, those who have income will be able to buy. So, the problem amounts to how the national income is distributed in an economy. $E_p = \frac{P}{q} \times \frac{\Delta Q}{\Delta p} = -18 \qquad \qquad$

	OR				
	Given $\frac{MU_A}{P_A} = \frac{MU_B}{P_B}$ (Consumer is in equilibrium)				
	Given that P_B falls, then				
	$\frac{MU_A}{P_A} < \frac{MU_B}{P_B}$ (Or $\frac{MU_B}{P_B} > \frac{MU_A}{P_A}$)				
	Since per rupee MU of B is higher than per rupee MU of A, the consumer will reduce expenditure on A and increase that on B. So, when P_B falls, demand for B rises.	4			
12	The effect of change in income of the consumer on demand of a good depends upon whether the good is inferior or normal. <u>If the good is normal</u> for the given consumer, its demand is likely to increase with an increase in income. <u>If the good is inferior</u> for the consumer, its demand is likely to decrease with an increase in income.	4			
13	There are three phases of change in MP :				
	(1) <u>MP rises</u> : Because when the variable input is increased, efficient utilization of the fixed inputs takes place due to specialisation. This raises efficiency of the variable input.				
	(2) <u>MP falls but is positive</u> : Because beyond a point increasing variable input puts pressure on fixed inputs leading to decline in efficiency.				
	(3) <u>MP continues to fall and is negative</u> : Because there is so much pressure of the variable input on the fixed inputs that total product starts declining.	4			
	(To be marked as a whole. Diagram not required)				
14	Let the two goods the consumer consumes be X and Y. The two conditions of equilibrium are :	1			
	(1) MRS = $\frac{T_X}{P_y}$	1			
	(2) MRS falls as more of X is consumed in place of Y.	T			
	Explanation :				
	(1) Suppose MRS > $\frac{P_x}{P_y}$ i.e. consumer is not in equilibrium. It means that to obtain				
	one more unit of X consumer is willing to sacrifice more units of Y as compared to what is required in the market. The consumer buys more of X. MRS falls and continue to fall till it is equal to $\frac{P_x}{P_y}$ and the consumer is in equilibrium.	3			
	(2) Unless MRS falls as consumer consumes more of X , the consumer will not reach equilibrium again.	1			
	(Explanation based on MRS $< \frac{P_x}{P_y}$ is also correct)				
	OR				
	The Three properties are				
	(i) IC slopes downwards from left to right.				
	(iii) IC to the right has higher utility				
		1x3			

 (1) Slopes downward because to consume more of good X, the consumer must give up some quantity of good Y so that the consumer remains on the same level of satisfaction. (2) Strictly convex because it is assumed that MRS continuously falls due to the law of diminishing marginal utility. (3) IC to the right has higher utility level because it is assumed that higher consumption means higher utility. 15 Output TR TC MR MC 1 7 8 7 8 2 14 15 7 7 3 21 21 7 6 4 22 82 7 7 Equilibrium 5 35 36 7 8 The producer is in equilibrium at 4 units of output Reasons (1) MC = MR (2) MC > MR after equilibrium Profit = TR - TC = 28 - 28 = 0 16 Price and QQ₁ is equilibrium quantity. When demand increases, the demand curve shifts to the right to the right name to the resulting in rise in price . This creates an excess demand E₁A₁ at the existing price OP₁. The excess demand causes competition among buyers resulting in rise in price . Rise in price leads to fall in demand and rise in supply as indicated by the arrows. These changes continue till the market reaches new equilibrium at E₂ with a higher price OP₂ and higher quantity OQ₂. For the Blind Candidate Increases in demand result in excess demand It causes competition among buyers resulting in rise in price . Price rise reduced edmand and increases supply. Excess demand is reduced. These changes continue till demand and supply are equal at new price. 		Explanatio	on :						
(2) Strictly convex because it is assumed that MRS continuously fails due to the law of diminishing marginal utility.1(3) IC to the right has higher utility level because it is assumed that higher consumption means higher utility.115Output 1TRTCMRMC 11787822141577 321217617877 Equilibrium 5211535367821101782117321217621778211733678217782111787711177321111778211178782117711110111 </th <th></th> <th>(1) Slopes up son satisfa</th> <th>down ne qua ction.</th> <th>ward l antity</th> <th>becaus of good</th> <th>e to co d Y so t</th> <th>nsume more of good X , the consumer must give hat the consumer remains on the same level of</th> <th>1</th>		(1) Slopes up son satisfa	down ne qua ction.	ward l antity	becaus of good	e to co d Y so t	nsume more of good X , the consumer must give hat the consumer remains on the same level of	1	
 (3) IC to the right has higher utility level because it is assumed that higher consumption means higher utility. 15 Output TR TC MR MC 1 7 8 7 8 2 14 15 7 7 3 21 21 7 6 4 28 28 7 7 Equilibrium 5 35 36 7 8 The producer is in equilibrium at 4 units of output Reasons (1) MC = MR (2) MC > MR after equilibrium Profit = TR - TC = 28 - 28 = 0 16 Price Price Price Price Price and curve shifts to the right. D2 is new demand curve. The screates an excess demand 2x₁ at the existing price OP₁. The excess demand curve shifts to the right role in single in rise in price. Rise in price leads to fall in demand and rise in supply as indicated by the arrows. These changes continue till the market reaches new equilibrium at E₂ with a higher price OP₂ and higher quantity OQ₂. Evcess demand is reduced. Price rise reduces demand and increases supply. Excess demand is reduced. New price is higher than old price. 		(2) Strictly of dim	, conv inishii	ex bec ng mar	ause it ginal u	: is assu Itility.	imed that MRS continuously falls due to the law	1	
15Output ITR TCTC MR MCMC I17878214157732121764282877Equilibrium535367878711The producer is in equilibrium at 4 units of output1Reasons (1)MC = MR (2)1(2)MC > MR after equilibrium1Profit = TR - TC = 28 - 28 = 0116Price PridePrice Pride0OP1 is the equilibrium price and OQ1 is equilibrium quantity. When demand increases, the demand curve shifts to the right. D2 is new demand curve.1The excess demand curve shifts to the right. D2 is new demand curve.1The excess demand causes competition among buyers resulting in rise in price .2Nise in price leads to fall in demand and rise in supply as indicated by the arrows.1Three scess demand result in excess demand1Increase in demand result in excess demand1Increase in demand result in excess demand2Increase in demand result in excess demand3Increase in demand result in excess demand4Excess demand is reduced.4Price is reduces demand and increases supply.4Excess demand is reduced.5New price is higher than old price.		(3) IC to th consump	ne righ	nt has means	higher highei	utility l r utility	evel because it is assumed that higher	1	
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	15	Output	TR	тс	MR	МС			
$\begin{array}{c cccc} 2 & 14 & 15 & 7 & 7 \\ 3 & 21 & 21 & 7 & 6 \\ \hline 4 & 28 & 28 & 7 & 7 \\ \hline 5 & 35 & 36 & 7 & 8 \end{array} Equilibrium \\ \hline 5 & 35 & 36 & 7 & 8 \end{array} \\ \hline The producer is in equilibrium at 4 units of output \\ Reasons (1) MC = MR \\ (2) MC > MR after equilibrium \\ Profit = TR - TC = 28 - 28 = 0 \end{array} \\ \hline 16 \\ \hline P_{rice} & Q_{ric} & Q_{$		1	7	8	7	8			
$\frac{3}{4} \frac{21}{28} \frac{21}{28} \frac{7}{7} \frac{7}{8} equilibrium$ $\frac{3}{5} \frac{21}{35} \frac{21}{36} \frac{7}{7} \frac{8}{8} equilibrium$ $\frac{1}{5} \frac{3}{35} \frac{3}{36} \frac{7}{7} \frac{8}{8} equilibrium$ $\frac{1}{7} \frac{1}{1} $		2	14	15	7	7			
$\frac{4}{5} \frac{28}{35} \frac{28}{36} \frac{7}{7} \frac{7}{8}$ Equilibrium $\frac{4}{5} \frac{28}{35} \frac{28}{36} \frac{7}{7} \frac{7}{8}$ Equilibrium The producer is in equilibrium at 4 units of output Reasons (1) MC = MR (2) MC > MR after equilibrium Profit = TR - TC = 28 - 28 = 0 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		3	21	21	7	6			
53536782The producer is in equilibrium at 4 units of outputReasons (1) MC = MR (2) MC > MR after equilibrium11Profit = TR - TC = 28 - 28 = 016PriceRemet colspan="2">PricePricePricePricePricePricePrice <td colspan<="" td=""><td></td><td>4</td><td>28</td><td>28</td><td>7</td><td>7</td><td>Equilibrium</td><td></td></td>	<td></td> <td>4</td> <td>28</td> <td>28</td> <td>7</td> <td>7</td> <td>Equilibrium</td> <td></td>		4	28	28	7	7	Equilibrium	
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New price is higher than old price.		• Th	ese ch	nanges	contin	nue till (demand and supply are equal at new price.		
		• Ne	w prie	ce is hi	gher th	han old	price.		

	<u>SECTION - B</u>	
17	The deposits which can be withdrawn from the banks on demand, through cheques.	1
18	Involuntary unemployment occurs when those who are able and willing to work at the going wage rate do not get work.	1
19	MPC is the ratio of 'change in consumption expenditure' to 'change in income'	1
20	Government budget is an annual financial statement showing estimated receipts and estimated expenditure of government.	1
21	'Balance of trade' refers to 'export of goods' less 'import of goods' during a given year.	1
22	Externalities refer to the benefits (or harms) a firm or an individual causes to another for which it is not paid (or penalised)	1
	Example : Polluting river by an oil refinery Or any other relevant example.	1
	Impact : Reduces welfare through negative effect on health	1
23	The significance of money as a store of value is that money can be stored for use in future. One can use one's present income in future because money comes in convenient denominations and is easily portable.	3
	OR	
	Medium of exchange function has solved the problem of double coincidence of wants. The buyer can pay money to the seller and the seller in turn can buy what he wants to buy. Money facilitates the exchange.	3
24	(i) Expenditure on collection of taxes is revenue expenditure because it neither creates any asset nor reduces any liability.	1 ½
	(ii) Expenditure on purchasing computers is capital expenditure because it creates assets.	1 ½
25	Deficit in the BOP occurs when autonomous foreign exchange receipts fall short of autonomous foreign exchange payments. Autonomous transactions are those which are not influenced by other transactions in the BOP.	3
26	Increasing import duty on gold will make imports of gold costly. It will reduce demand for import of gold and consequently of foreign exchange. Supply of foreign exchange remaining unchanged, price of foreign exchange is likely to fall.	3
27	Money supply refers to the stock of money in the country on a particular day. It has two components : Currency with public outside the banks and demand deposits with banks. Demand deposits are deposits which can be withdrawn by writing cheque. Both these are directly usable for carrying out transactions at will.	4
	OR	
	Lending of money by the Central Bank to commercial banks in times of emergent need is referred to as the 'lender of last resort' function of the central bank.	4

28	$Y = \bar{C} + MPC(Y) + I$	1½					
	1000 = 200 + (125)1000 + I	11/2					
	I = 1000 - 200 - 750						
	I = 50	1					
	(No marks if only the final answer is given)						
\$ 29	Increased expenditure by government on public goods like defence, maintaining law and order etc. increases their availability to the people of the country. For example more expenditure on maintaining law and order raises the sense of security among the people. Any such expenditure raises welfare of the people.						
30	NI = ii + iv + x - vi - v + iii - ix	2					
	= 600 + 100 + 110 - 20 - 120 + 20 - 5	1/2					
	= Rs.685 Arab.	1/2					
	GNDI = N.I. + vii + v - iii - i	1					
	= 685 + 35 + 120 - 20 - (-15)	1/2					
	= Rs.835 Arab	1/2					
	(No marks if only the final answer is given)						
31	(i) <u>Fees paid to mechanic by a firm</u> is not included because it is an intermediate cost of the firm.						
	(ii) <u>Interest paid by an individual</u> is not included because the loan is taken to meet consumption expenditure and therefore interest paid on such a loan is not a factor payment.	2					
	(iii) <u>Expenditure on purchasing car by a firm</u> is included because it is an investment expenditure, a final expenditure.	2					
	(No marks if the reason is not given)						
32	AD AD AD AD AD AD AD AD AD AD	1					
	The national income is in equilibrium when AD = AS. In the figure the equilibrium is at E, the intersection of the AD curve and the 45° line. The equilibrium income is OM.	2					

