Sample Question Paper
Economics (214)

Time: 3 hrs.   **Maximum Marks - 100**

Note:

i. This question paper consists of 54 questions in all.

ii. All questions are compulsory.

iii. Marks are given against each question.

iv. **Section A consists of -**

a. Q.No. 1 to 20 – Multiple Choice type questions (MCQs) carrying 1 mark each. Select and write the most appropriate option out of the four options given in each of these questions. An internal choice has been provided in some of these questions. You have to attempt only one of the given choices in such questions.

b. Q.No. 21 to 35 – Objective type questions carrying 02 marks each (with 2sub-parts of 1 mark each). Attempt these questions as per the instructions given for each of the questions 21 –35.

v. **Section B consists of -**

a. Q.No. 36 to 46 - Very Short questions carrying 02 marks each to be answered in the range of 30 to 50 words.

b. Q.No. 47 to 52 – Short Answer type questions carrying 03 marks each to be answered in the range of 50 to 80 words.

c. Q.No. 53 to 54 – Long Answer type questions carrying 05 marks each to be answered in the range of 80 to 120 words..

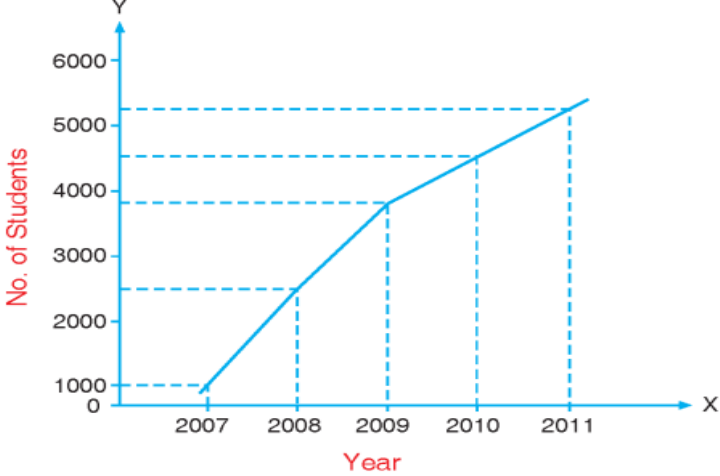| S. No.	Questions	Marks
	Section - A	
1. (i) Which of the following statements is correct? A. Free goods are those goods whose supply is more than the demand. B. Public goods are those goods, which are not collectively owned. C. Durable use goods can be used again and again. D. All of these. **or** (ii)The construction of the bridge is an example of A. Public Good B. Private Good C. Both A & B D. Neither A nor B	1

2. Human wants are satisfied by consuming – A. goods B. Services C. Both goods & services D. None of these	1
3. When a doctor examines a patient and prescribes medicines, it is an example of _____ A. Goods B. Both Goods and Services C. Services D. Neither Goods nor Services	1

4. (i) If 2units of labor produce 18units of output and 3 units of labor produce 24 units of output, then calculate the marginal product of output.
A.12 units
B.18 units
C.9 units
D. 6 units
 	
 or
   (ii) Find out correct formula for calculating AP(Average Product) –
A. AP =TP - L -
B. AP =TP/L
C. AP = TP ×L
D. AP =TP +L
 	
   A.
	1

5. (i) Indian Railways under the ministry of Railways is an example of _____
A. Foreign Production Units
B. Cooperative Society
C. Government Production Units
D. Partnership
 or
   (ii) The maximum no. of shareholder in the of a private company is
          ....
A . 20
B . 50
C . 02
D .100
	1

6. (i) Law of diminishing marginal product of labour has to pass through ------------stages. A. 4 stages. B.2 stages. C.3 stages. D. None of these. **or**	1

(ii) When the value of TP is maximum in a schedule of the production process, then what will the value of MP be? A. Maximum B. Minimum. C. Infinity. D. Zero.	
7. (i) A production unit owned by an individual is known as A. Sole Proprietorship B. Cooperative Society C. Public Sector D. Corporations **or** (ii) A list of expenditure on variable factors of production is given below. Identify expenditure on which factor will not be not included in the list- A .Wages and salary paid to labour B .Purchase of land for establishment of a production unit C .Purchase of raw materials D .Expenditure on transportation	1
8.(i) Capital intensive technology implies A. Less Capital, More Labour B. More Capital, Less Labour C. Less Capital, Less Labour D. More Capital, More Labour **or** (ii) Example of Process based division of labour is----------. A. Potter B. Farmer C. Cobbler D. Britannia Bread Company	1
9. (i) A system where one good is exchanged for another good is called A. Monetary System B. Barter System C. Either (A) or (B) D. Neither (A) nor (B) **or** (ii) Indian Monetary system is based upon A. Paper Standard B. Gold Standard C. Metal Standard D. Credit Money Standard	1
10. Find the demerit of the Barter System?	1

A. Lack of double coincidence of wants. B. Difficulty in the measurement of wants. C. Difficulty in the store of value D. All of the above	
11. Which of the following is correct as a feature of money? A. General acceptability B. Homogenous Unit C. Liquid Asset D. All of these	1
12. (i) The currency of the United Kingdom is A. Dollar B. Rupees C. Ponds D. Yen **or** (ii) The Currency of the European Countries is A. Yuan B. Euro C. Dollar D. Rupees	1
13. Fill in the blank. The meaning of value of goods is equal to ---------- A .Price of goods × quantity of goods B .Price of goods + Quality of goods C .Price of goods ÷ Quantity of gods D .Quantity of goods × Quality of goods	1
14. Identify the natural source of air pollution- A. Dust from barren lands B. Fumes from paint, hair spray, varnish. C. Exhaust of vehicles and automobiles like cars, buses, bikes, airplanes, ships. D. Waste deposition in landfills	1
15. (i) Resources can be used again and again are known as A. Abiotic Resources B. Biotic Resources C. Renewable Resources D. Non-Renewable Resources **or** (ii) The environment includes - A. All Living elements B. All non-living elements C. Both (A) and (B) D. None of the above.	1

16. The exhaustion of raw materials in an area or region is known as A. Sustainable Development B. Resource Depletion C. Habitat Degradation D. All of these.	1
17. Causes of soil degradation are listed below as follows- 1. Excessive use of chemical fertilizers. 2. Water logging. 3. Release of heated or radioactive water by power plants into water. 4. Overgrazing by animals in fields. Find out correct option – A. Only 2 and 3 are correct. B. Only 3 is correct. C. Only 1, 2 and 4 are correct. D. All are correct.	
18. (i) Which of the following is the benefit of tertiary sector? A. It contributes to develop primary and secondary sector both. B. It contributes to produce goods directly by using natural resources only. C. It contributes to produce industrial products only. D. None of these. **or** (ii) Which one of the following comes under the tertiary sector? A. Communication B. Transport C. Both (A) &(B) D. None of the above.	1
19. Which of the following types of activities are covered in the secondary sector? A. Agriculture, forestry and dairy. B. Manufacturing goods by exploiting natural resources. C. Providing services like transportation, financial & Banking services etc. D. All of theses.	1
20. Which activity is included in service sector – A. transport, communication and banking. B. making, sugar, jiggery(gur) and bricks.	1

C. agriculture, dairy, fishing and forestry. D. none of these.	
21. State whether these statements are True/False. A. There is no time gap between the production and consumption of goods. B. Services can be stored and utilized as andwhen required.	2
22. (i) On the basis of ownership, goods can be classified into ------- goods and ---------------- goods. **or** (ii) Give a suitable example of the following- A. Durable Good. B. Non- Durable Good.	2
23. (i) State whether the statements given below are True/False. A. Supply is defined as the quantity of a commodity that the seller is offers to sell at a given price during a given point of time. B. The market supply schedule of a commodity is the sum of the quantities of the commodity supplied by all the firms in the market at different prices. **or** (ii) Answer the following in one word. A. Shape of the Supply Curve as per Law of Supply. B. Total quantity available with a seller/firm at a particular point of time.	2
24. Fill in the blanks. A. If government ------------- rate of taxe on goods then supply -----------.	2
25. If a firm X modernizes the technology resultantly the supply of commodity ----------and the cost of production -----------.	2
26. State whether the following statements are true/false. A. A firm sells more quantity of a commodity at a higher price with an objective of creating goodwill. B. A firm sells more quantity of a commodity at a lower price with an objective of maximize profit.	2
27. (i) Sources of secondary data may be in the form of ----------- or ------------- data. **or** (ii) The person who collects data is known as ----------- while the person who responds to the question is known as ----------.	2
28. (i) State whether below given statements are True/False. A .When we collect data on the marks obtained by the students in a class, it is an attribute. B .Discrete typeof series is designed to show variables with definite break with their respective frequencies. **or** (ii) A . Individual and continuous data are the only two types of series into which data can be organized.	2

B .When data is capable of being classified in the magnitude of time or size it is called as Variable.	
29. On the basis of graphical presentation depicting student's enrollment in different years, answer the following. Answer the following - A. The percentage increase of enrolled students in the years 2009 - 2010? B. Which year shows the minimum difference in the enrolment number of students?	2
30. When data is presented into rows and columns in a table, it is a calle ---- ----- form of data presentation whereas, data presented in the form of graph is called ---------- form of data presentation.	2
31. (i)Non-agricultural sector is divided into ----------- and ---------. **or** (ii) Secondary Sector is also known as ---------- sector whereas Tertiary sector is also known as --------- secor.	2
32. State whether below given statements are True/False. A. The provision of consumer goods can be attributed to the primary sector. B. In recent years India's service sector has contributed a lot to earn foreign exchange for the nation through increasing exports activities.	2

33. Match the following sectors with their activities.
    Sector   Activities
 	
A Tertiary Sector   i) Agriculture
B Secondary Sector   ii) Real Estate and trade
                                                    iii) Mining and Quarrying
                                                    iv) Manufacturing
	2

34. (i) Write one word answer for the following. A. Which sector has recently made the largest contribution to national	2

income in the recent years? B. Which sector still provides maximum employment opportunies to the mass population of India? **or** (ii) A. What was the share of service sector in national income of India in 2009-10? B. Which sector of the economy contributes towads the creation of infrastructure?	
35. (i) All the living elements like birds, animals, plants, forests, etc. comprise the -------- elements. On the other hand, everything non-living like air, water, rocks, sun, etc. are examples of the ----------- component of the environment. **or** (ii) State whether the statements written below are True/False. A .Smoke from power plants, factories, incinerators, furnaces, etc. is artificial sources of Air Pollution. B .Slashing or slash-and-burn agricultural methods, where forests are burnt and crops grown using the ashes as a natural fertilizer do not cause Habitat Degradation.	2
Section - B	
36. What do you mean by production Function? Discuss out the main factors of production.	2
37. (i) The concept of cost and revenue provides the basis for calculating Profit. Explain with numerical illustration. **or** (i) Give the difference between revenue and cost? Why the producer must calculate them?	2
38. How do substitute and complementary goods affect consumer`s demand? Explain with an example.	2
39. (i) Explain the important functions of Reserve Bank of India that makes it an apex body of the banking system of India. **or** (ii) What is Cash Reserve ratio. Give formula to calculate toatal credit of a commercial bank.	2
40. Identify two advantages of globalization for the growth of economy of developing country.	2
41. (i) State the differences between the economy of India and China in terms of 'poverty' and share in 'total world exports'. **or** ii) Globalization has enabled the growth of Indian economy over a period of time. Justify the statement.	2

42. Explain any two reasons for which Consumers Protection Act 1986 was implemented by the government.	2
43. (i)As a consumer, you are entitled to enjoy certain rights on the purchase of goods and services. Mention any four consumer rights. **or** (ii)Why must the consumers take the bill for the purchase of a product? Explain any two reasons.	2
44. (i) List out four puposes of the average- **or** (ii) List out any two precautions of using arithmetic mean	2
45. Calculate the Arithmetic Mean by short- cut method from the given data.<table><tr><td>Marks</td><td>0- 10</td><td>10 - 20</td><td>20 - 30</td><td>30 – 40</td><td>40 - 50</td><td>50 - 60</td></tr><tr><td>No. of Students</td><td>8</td><td>7</td><td>16</td><td>8</td><td>7</td><td>4</td></tr></table>	2
46. "It is generally observed that the rural population is more vulnerable to consumer exploitation." Give any two reasons to justify the statement.	2
47. (i) List out the main functions of an entrepreneur who plays a pivotal role in increasing the productivity of an economy. **or** (ii) "The prerequisite to capital formation is not just saving but an investment". Explain with suitable examples.	3
48. Explain three important economic activities and show their inter - relationship diagrammatically.	3
49. (i) Distinguish between explicit costs and implicit costs with suitable examples. **or** (ii) Distinguish between fixed costs and vaiable costs with suitable examples.	3
50. "The bank adopts credit creation policy with the increase in its deposits." Explain the various steps of credit creation with an exampl	3
51. (i) Briefly describe the procedure for filing a complaint against bulk purchasing of low-quality building material which costs Rs.1 cr. or (ii) "Implemention of the Consumer Protection Act, 1986 has been beneficial to develop consumer awareness." Elaborate.	3
52. Explain three methods of calculating arithmetic mean in continuous series?	3
53. (i) The price of a commodity and its quantity demanded are the two components that provide the basis to formulate the Law of Demand. Take an example from your daily life and state the law of demads with the help of a good diagram and schedule. **or**	5

(ii)Explain the effect of two factors – the number of buyers and distribution of income and wealth on the market demand for a commodity with suitable. example.	
54. Enumerate five benefits of India's foreign trade relations for the development of the economy.	5

Marking Scheme

Secondary course (214)

Time: 3 Hours   **Max Marks – 100**

Q. No.	Expected Value Points for Each Steps	Distribution of Marks	Total Marks
	Section - A		
1	(i) A. (ii) B.	1	1
2	C.	1	1
3	C.	1	1
4	(i) D. (ii) B.	1	1
5	(i) C. (ii) C.	1	1
6	(i) C. (ii) D.	1	1
7	(i) A. (ii) B.	1	1
8	(i) B. (ii) D.	1	1
9	(i) B. (ii) A.	1	1
10	D.	1	1
11	D.	1	1
12	(i) C. (ii) B.	1	1
13	A.	1	1
14	A.	1	1
15	(i) C. (ii) C.	1	1
16	D.	1	1
17	D.	1	1
18	(i) A (ii) C.	1	1
19	D.	1	1
20	A.	1	1
21	A. True, B. False	1+1	2
22	(i). Public, Private. (ii) Buildings, Food items	1+1	2
23	(i) A.True, B. B. (ii) A. Upward Slopping, B. Stock.	1+1	2
24	Increase, Decreases	1+1	2
25	Increase, Decreases,	1+1	2
26	A. False, B. False	1+1	2
27	(i) Published, Unpublished (ii) Investigator, Respondent	1+1	2
28	(i) A. False, B. True. (ii) A. False, B. True.	1+1	2
29	A. 21.05, B. 2009 - 2010	1+1	2
30	A. tabular, diarammmatic	1+1	2
31	(i) Secondary sector, tertiary sector. (ii) Tndustrial/manufacturing, service	1+1	2
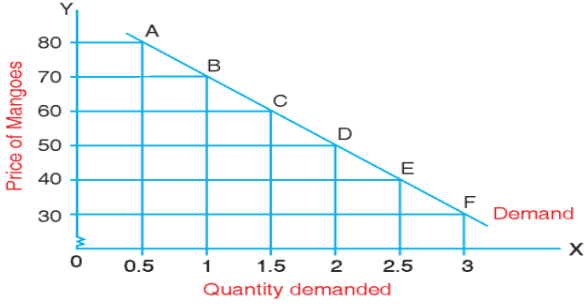
32	A. False, B. True	1+1	2
33	A. ii, B. iv	1+1	2
34	(i) A. Service sector, B. Primary sector. (ii) A. 55.2%. B. Scontry sector.	1+1	2
35	(i) Biotic, Abiotic. (ii) A. True, B. False.	1+1	2
	Section - B		
36	Production function tells us the technical relationship between inputs and output of a firm. It tells us the maximum quantity of output that can be produced with the help of given quantities of inputs. Four factors of production are as follows- • Land • Labour • Capital Enterprenuer	1+1	2

37	(iProfit is defined as the surplus of revenue over the total cost of production.
	                 Sale receipt of a company is
	Rs. 15000 and total investment made by the same company is Rs. 11500. The profit earned by the company [s calculated by the formula.
	Profit = Total Revenue – Total Cost
	        = Rs.15000 – Rs.11500
	        = Rs. 3500.
	or
	(ii)
	• Cost is production is expenditures made on various factors of production.
	• Revenue is sale receipts of good and services from market.
	Bothe are essentials because these two concept provides the basis to calculate profit.
		1+1	2

38	• **In case of substitute goods** – An increase in the price of one commodity increases the price of other the related commodity. For example – Tea and coffee. • **In case of complementary goods** – An increase in the price of one commodity decreases the demand for other related commodity. For example – petrol and car	1+1	2
39	• Issuing of currency notes.	1+1	2

	• Acts as banker to the Government. **or** (ii) • CRR or Cash Reserve Ratio is the percentage of a bank's total deposits that it needs to maintain as liquid cash. Total credit = Initial Deposit ×1/CRR		
40	Two advantages of globalization – • Free flow of new goods and services • Advancement of technology. • Generation of employment opportunities. • Economic upgradation. • Exchange of culture. (Any other points)	1+1	2
41	Comparison between economy of India and Cina – • During the first half of 2010 China has 10 percent share in the total world exports as compared to only 1.4 percent for India. In China poverty ratio fell from 51 percent in 1981 to 2.5 percent in 2005 while India had 27.5 percent of poor population at that time. **or** (ii) • Increase in Foreign Exchange, • Awareness of Technical Advancement. • Establishment of MNC. • Opportunity to develop new market segment. (Brief Explanation of any two).	1+1	2
42	Two reasons are as follows – • Lack of knowledge of quality of product • Lack of knowledge of consumer`s right (Any other related points)	1+1	2
43	(i)Four consumer`s right are as follows – • Right to Information • Right to Choose • Right to Safety • The Right to Seek Redressal. **or** (ii) • Through the bill the consumer also ensures that the government receives tax on the product because it is mandatory for the seller to mention the tax amount on the bill. • the consumer makes him/her a responsible	1/2 × 4	2

	citizen of the country.			

44	are as follows –
	  • to convert the collected information and raw data in brief
	  • to facilitate comparison between two or more groups
	  • to present a representative value from raw data
	to facilitate future policy and programme
		1+1	2

45	(i) Four Purposes of Arithmetic Mean –
	  • to convert the collected information and raw data in brief
	  • to facilitate comparison between two or more groups
	  • to present a representative value from raw data
	  • to facilitate future policy and programme
		1+1	2

46	Two suggestions –
	  • To organize consumer awareness programme in rural areas.
	  • Timely delivery of justice made by consumer courts
		1+1	2

47	Main functions of an entrepreneur –
	  • Plan to arrange factors of production
	  • Produces goods and services
	  • Identify market for selling out product
	  • Finally, earn profit
		1+1+1	3

For question 45, **or**:

Marks	Mid - Value	Frequency	dx= m - A	fdx
0 - 10	5	8	-20	-160
10 - 20	15	7	-10	-70
20 -30	25 - A	16	0	0
30 – 40	35	8	10	+80
40 – 50	45	7	20	+140
50 – 60	55	4	30	+120
		N = 50		$\sum$ fdx = 110

$$\bar{X} = A + \frac{\sum fdx}{N}$$
$$= 25 + \frac{110}{50}$$
$$= 25 + 2.2 = 27.2$$

	(Any three with brief explanation) **or** • Increases the capital stock. • Icrease the Production of goods. • Inreases the level of consumption.		
48	Basic economic activities of an economy – Production – Process through which goods and services are produced. Consumption – Act of consuming goods and services to attain the level of satisfaction. Investment = creating capital stocks for producing goods and services. 	1+1+1	3
49	**Explicit cost** is defined as the money expenditure incurred by the producer on both fixed and variable factors of production and raw materials etc. Bills, money receipts or vouchers etc exist with respect to such expenditure by the producer. **Implicit cost** is the cost of self supplied factors. The value of such cost has to be calculated on the basis of market value. producer uses his own factors and materials for Producing goods and services. For this he does not pay any money to himself. **or** Fixed cost is defined as the expenditure, on hiring or purchasing of fixed factors/ inputs, which are compulsory and has nothing to do with the amount of production of the good or service. (Giive Example). Variable cost is as the expenditure on variable factors/inputs, such as labour, which can be changed. Giive Example).	1+1+1	3
50	Steps of credit creation process of a bank – **Step1** – Consider person A deposits Rs. 100 in a	1+1+1	3

	bank. Bank generates Rs. 100 as a deposit. **Step2** – Out of total deposit bank offers loan of Rs. 80 to person B and keeps 20% for making cash payments. **Step3** – Again the bank is having Rs. As deposit and offers Rs. 64 loan to person C . Bank keeps 20% cash reserves for making cash payments. This process continues up to the last round . This way credit creation process is completed		
51	Since the cost of the building material is Rs. 1 cr., the case will be filed in the state commission. Procedures – • For filing a complaint, the aggrieved consumer must always keep the cash memo, receipt or bill of the product he/she has purchased • The format to file a complaint is located on the booklet provided by consumer protection Act • Then the nature of the complaint needs to be explained in simple words. • The consumer should be clear about the fault and what he/ she wants as a remedy i.e a replacement or a refund or compensation in case of a service • The documents like the receipt or other evidences must be attached along with the complaint. (Any three). **or** • The knowledge of the product purchased by the consumers in terms of its quality. • The education about the various types of hazards and problems. • The provisions of Consumer Protection Act,1986 and 'Consumer Rights'. • The knowledge about consumer's own responsibilities. • Roles and responsibility of Ngo's and welfare Institution. (Any three)	1+1+1	3

52	**(a) Direct method** $$\overline{x} = \frac{\Sigma fdx}{N}$$ **(b) Shortcut method without step deviation** $x = \text{mid value of a class}$ $$\overline{x} = A + \frac{\Sigma fdx}{N}$$ **(c) Shortcut method with step deviation** $$\overline{x} = A + \frac{\Sigma fdx'}{N} \times c$$	1+1+1	3
53	Law of Demand – Statement - The law of demand is given as, "If price of a commodity falls, its quantity demanded increases and if price of the commodity rises, its quantity demanded falls, other things remaining constant." Demand Schedule – Tabular presentation of relationship between price of commodity and quantity demanded – Demand Curve – Graphical presentation between price and quantity demanded is known as demand curve. **or** The total quantity of a commodity demand by all the individual buyers in the market at the given	2+2+1	5

Demand Schedule table:

Price of mangoes (Rs per Kg) per week (in Kg)	Quantity demanded of mangoes per week (in Kg)
80	0.5
70	1.0
60	1.5
50	2.0
40	2.5
30	3

price
at given time is called market demand of that commodity.
1. Number of buyers
2. Distribution of income and wealth.
(Brief Explanation)

or

Price (Rs. Per unit)	Quantity demanded (in units)			Market demand (in units)
	Household A	Household B	Household C	
5	15	13	30	58
6	12	11	25	48
7	9	9	20	38
8	6	7	15	28
9	3	5	10	18

| 54 | Benefits of India`s foreign ttade relation for the development of economy –
• Selling of goods and services by the domestic citizens to citizens in a foreign country. This is called exports
• Buying of goods and services by domestic citizens from the foreign countries. This is called imports.
• Sending gifts to some body in a foreign country and receiving the same from foreign countries.
• Sending money to and receiving money from foreign countries respectively.
• Visits made by tourists, business persons and government delegation. | 1+1+1+1+1 | 5 |