

MAR THOMA RESIDENTIAL SCHOOL, THIRUVALLA

FIRST TERMINAL EXAMINATION 2017-18

Std: X

ECONOMIC APPLICATIONS

Time:2:hrs

Marks :100

PART A

Question 1

- a. Two merits of direct tax. [2]
- b. Two fiscal measures adopted during deflation. [2]
- c. Explain states role in Capital formation. [2]
- d. Two steps adopted by the government to remove income inequality. [2]
- e. Two major categories of Public sector undertakings. [2]

Question 2.

- a. What do you mean by privatisation? [2]
- b. Any four principal objectives of disinvestment policies. [2]
- c. Bring out two importance of selling cost. [2]
- d. Two difference between Monopoly and Monopolistic Competition. [2]
- e. What do you mean by pure monopoly? [2]

Question3.

- a. Different rival firms in this market may enter into collusive agreement. In which market? What is the resultant market? [2]
- b. How does average income of a consumer determine the extent of a market? [2]
- c. What do you mean by derived demand? [2]
- d. The price of a commodity falls from Rs.15 to Rs. 10. As a result, demand rises from 100 units to 150units. Find the price elasticity of demand for the commodity. [2]
- e. For each of the following, state whether it has inelastic demand or elastic demand.

Question 4.

- a. If the government of India levis excise duty on sugar, in which direction will the supply curve of sugar shift. [2]
- b. A farmer grows rice and wheat. How will an increase in the price of rice affect the supply of wheat? [2]
- c. Bring out the difference between Tax and Subsidy. [2]
- d. What does the law of supply state? List two assumptions of the law. [2]
- e. Give two reasons for the positive slope of the supply curve. [2]

PART B

Question 5.

- a. Explain the role of public Sector in economic development.(Any four points) [7]
- b. Bring out any four factors for the poor performance of public sector [8]

Question 6.

- a. Bring out any four features of perfectly competitive market? [7]
- b. Explain with the help of a neat diagram the demand curve faced by the Perfectly competitive market and monopoly market. [8]

Question 7.

- a. Explain any four factors determining the demand for a commodity. [7]
- b. State whether the following will cause a shift of demand or movement along the same demand curve. Justify your answer giving one reason for each.
- i. The effect of rise in the price of petrol:
1. On the demand for cars.
 2. On the demand for public transport
- ii. The effect of a sharp increase in air fare due to rise in aviation fuel
1. On Tourism
 2. On business travel [8]

Question no. 8.

- a. With the help of a diagram state whether supply of a good is directly or inversely related to its price. Explain any three determinants of supply. [7]
- b. Draw an individual supply based on an imaginary supply schedule. Distinguish between contraction in supply and increase in supply of a commodity. [8]