

MAR THOMA RESIDENTIAL SCHOOL TIRUVALLA

SECOND TERM EXAMINATION 2018-19

ECONOMIC APPLICATIONS

CLASS: X

MARKS: 100

TIME: 2 Hrs

1. Answer to this paper must be written on the paper provided separately.
2. You will not be allowed to write during the first 15 minutes.
The time is to be spent in reading the question paper.
3. The time given at the head of the paper is the time allotted for writing the answers.
4. Attempt all questions from PART I and any four questions from PART II.
5. The intended marks of questions or parts of questions are given in the brackets [].

PART I [40 MARKS]

Attempt all questions from this part.

Question 1.

- a) State the law of supply. [2]
- b) Draw a neat labeled diagram of a demand curve. [2]
- c) Mention two determinants of demand. [2]
- d) Distinguish between limited legal tender and unlimited legal tender. [2]
- e) Explain circulating capital with an example. [2]

Question 2.

- a) State two qualities of a successful entrepreneur. [2]
- b) Construct a hypothetical individual supply schedule. [2]
- c) Classify the following into fixed and working capital.
 1. A television in a hotel room.
 2. Iron ore in a steel plant. [2]
- d) The price of a commodity rises from Rs. 20 to Rs. 40. Consequently its supply increases from 100 units to 400 units. Calculate price elasticity of supply. [2]
- e) Why capital is called a produced means of production? [2]

Question 3.

- a) If price of X increases, the the demand for Y too increases. What is the relationship between goods X and Y. Give an example. [2]
- b) State two primary functions of money. [2]

- c) Define fiscal policy and monetary policy. [2]
- d) State the market forms of the following commodities:
1. Railways
 2. Automobiles
 3. Shampoo
 4. Fighter aircrafts. [2]
- e) Differentiate between sunk and floating capital. Give an example of each. [2]

Question 4.

- a) Classify the following types of tax into Direct and Indirect taxes.
1. Entertainment
 2. Income tax
 3. House tax
 4. Sales tax [2]
- b) What do you understand by division of labour? [2]
- c) State any two advantages of a bank account. [2]
- d) Mention two features of monopoly. [2]
- e) An indirect tax is not always equitable. Give two reasons to support your answer. [2]

PART II [60 MARKS]

Answer any four questions from this section

Question 5.

- a) i. With the help of an example explain price discrimination. To which market is it relevant?
- ii. Explain any two similarities between a perfect market and a monopolistically competitive market. [7]
- b) Define labour as factor of production. Explain in brief three characteristics of labour. [8]

Question 6.

- a) Define money. How money perform its role as a:
1. Medium of exchange
 2. Store of value [7]
- b) Explain the following function of the central bank of the a country.
1. Acting as a banker to the government
 2. Lender of the last resort
 3. Bankers bank
 4. Developmental functions [8]

Question 7.

- a) What is fiscal policy? Explain the objectives of fiscal policy. [7]
- b) 1. Distinguish between progressive and proportional taxation. [7]
2. Which tax system is more suitable for our country and why? [8]

Question 8.

- a) i. Define income demand.
ii. Draw diagrams showing elasticity of demand.
1. $ep > 1$
2. $ep < 1$
3. $ep = 0$ [7]
- b) i. What is increase in demand and extension in demand? Draw and explain [7]
ii. Explain any four factors responsible for shift in demand. [8]

Question 9.

- a) i. What do you mean by monopoly market?
ii. Explain any of its three features. [7]
- b) i. Distinguish between demand pull and cost push inflation
ii Define inflation. [8]

Question 10.

- a) Give four merits and three demerits of direct tax. [7]
- b) Discuss any four quantitative credit control measures of RBI. [8]