ANSWER KEY

SECOND YEAR HIGHER SECONDARY EXAMINATION APRIL 2022

PART-I/II/III

SUBJECT: ECONOMICS

CODE NO: SY 35 VERSION: Q

80 SCORES 2½ HOURS

Qn. No	Sub Qns	Answer Key/Value Points	Score	Total Score
A		Answer Any 4 questions from 1 to 6 1x4=4		
1		c) J.M. Keynes	1	1
2		a) Total Revenue and Total cost	1	1
3		b) Normal profit	1	1
4		c) Utility	1	1
5		a) wealth	1	1
6		d) Trade in goods	1	1
B		Answer All the questions from 7 to 10 4x1=4		
7.		b) Oligopoly	1	1
8		d) $e^D = 0$	1	1
9.		a) equal to min AC	1	1
10		c) GDP Deflator	1	1
A		Answer any 3 questions from 11 to 15		
11		Any two examples for substitute goods Any two examples for complementary goods	1 1	2
12		In the short run some factors are fixed and some factors are variable. In the long run all factors are variable	1 1	2
13		Market demand and supply are equal or Diagram	2	2
14		Meaning of intermediate good Any 1 example	1 1	2

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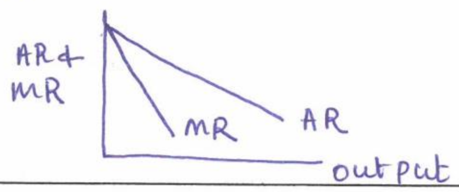
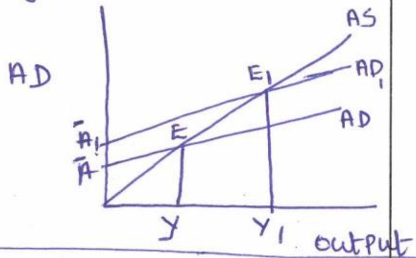
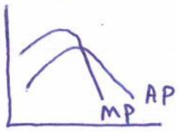
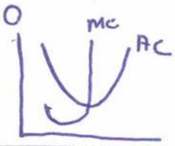
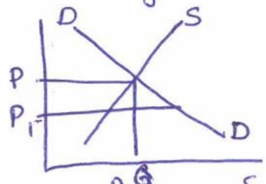
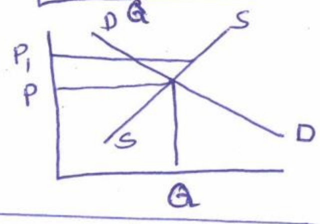
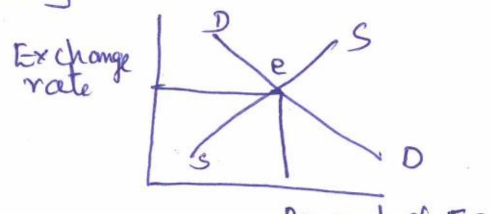
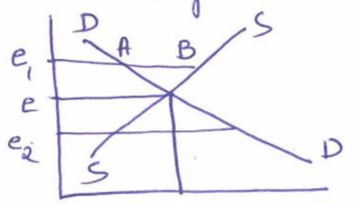
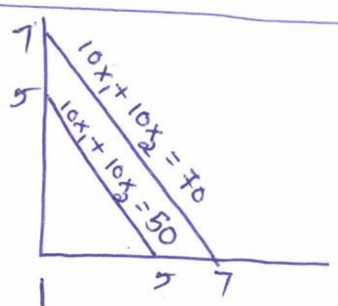
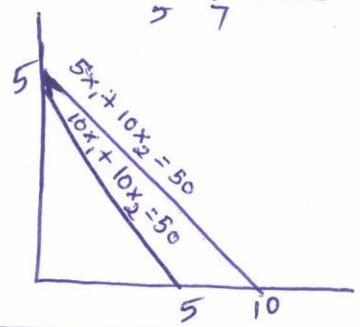
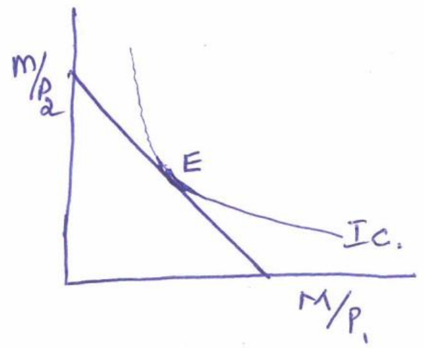
15.		a) Marginal propensity to consume (MPC)	1	2
		b) Marginal propensity to save (MPS)	1	
B 16		Answer any two questions from 16 to 18 2x2=4		
		Household, Firm, Government, External Sector	½ x 4	2
17		$e^S = \frac{\text{Percentage change in quantity supplied}}{\text{Percentage change in Price}}$	1	2
		$e^S = \frac{30}{20} = 1.5$	1	
18		Write any two motives		2
		Transaction motive	1	
		Speculative motive	1	
		Precautionary motive		
A 19		Answer any three questions from 19 to 23		
		Centrally Planned Economy - Government Planning - Public ownership etc. [any two]	2	4
		Market economy - Individual - Market mechanism - Private Property etc [any two]	2	
20		Functions of money		4
		medium of exchange	1	
		unit of account	1	
		store of value	1	
		Standard of deferred payments	1	
21	a)	Any two characteristics of monopoly	2	4
	b)	Diagrams of AR curve and MR curves	2	



Qn. No	Sub Qns	Answer Key/Value Points	Score	Total Score
22.	a)	Components of Aggragate demand consumption and investment [$AD = C + \bar{I}$]	2	4
	b)	upward shift of Aggragate demand curve in the diagram 	2	
23		Objectives of Government Budget 1. Allocation function 2. Redistribution function 3 Stabilization function [with short explanation]	 1 1 1 1	4
24	B	Answer Any a 1 question from 24 to 25		
	a)	Diagram of marginal product curve and average product curve 	2	4
	b	Two relationship between MP curve and AP curve	2	
25.		$GDP_{FC} = GDP_{mp} - NIT$ [Net indirect Tax] $NNP_{FC} = NDP_{FC} + NFIA$ $NDP_{mp} = GDP_{mp} -$ Depreciation $NNP_{mp} = GNP_{mp} -$ Depreciation	1 1 1 1	4
A 26.		Answer any 3 questions from 26 to 29 3X6=18 TC 20 40 50 54 60 80 120 SAC – 40 25 18 15 16 20 SMC – 20 10 4 6 20 40 Diagrams of SAC & SMC curves 	 1 1 1 3	6

Qn. No	Sub Qns	Answer Key/Value Points	Score	Total Score
27		Price ceiling - Diagram and explanation 	3	6
		Price Floor Diagram and Explanation 	3	
28	a)	Revenue Receipts – Definition – Example	$1+\frac{1}{2}$	6
		Capital Receipts - Definition – Example	$1+\frac{1}{2}$	
	b)	Revenue Expenditure – Definition – Example	$1+\frac{1}{2}$	
		Capital Expenditure – Definition – Example	$1+\frac{1}{2}$	
29	a)	Exchange rate – value of one currency in terms of foreign currency -	2	6
	b)	Flexible exchange rate – Demand and supply determines exchange rate  Diagram or explanation	2	
		Fixed exchange rate – Government fixes the exchange rate at a particular level  Diagram or explanation	2	
30.	B	Answer any 2 questions from 30 to 32. Answer any 3 points with explanation like openmarket operation, CRR, Bankrate etc	2 2 2	6

Qn. No	Sub Qns	Answer Key/Value Points	Score	Total Score
31	a	Open Economy – interacts with other countries	1	
		Closed Economy – No interactions with rest of the world	1	
	b	1. output market Linkage 2. Financial market Linkage 3. Labour market Linkage [with short explanation or examples]	4	6
32.	a	 Income change	3	
	b	 Price change	3	6
33		Answer any two questions from 33 to 35		
	a)	Answer any three features of Indifference curve	3	
	b)	 Diagram with explanation	5	8

Qn. No	Sub Qns	Answer Key/Value Points	Score	Total Score
34	a)	Product method, Income method Expenditure method	3	8
	b)	Explanation of any two methods	2½+2½	
35.	a)	write any three features of Perfect competition	3	8
	b)	conditions of profit maximisation	3	
		Diagram	2	

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