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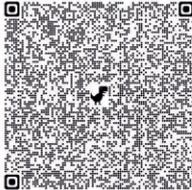
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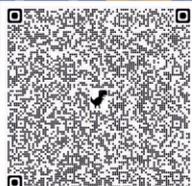
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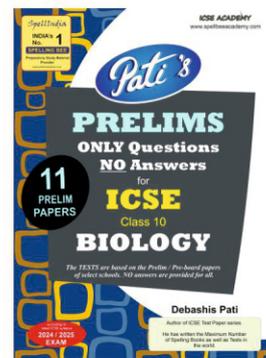
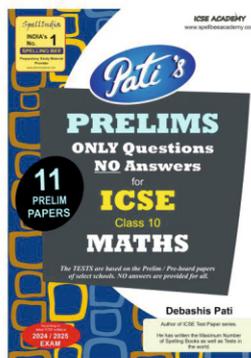
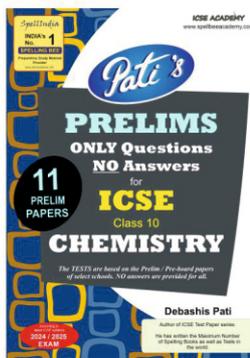
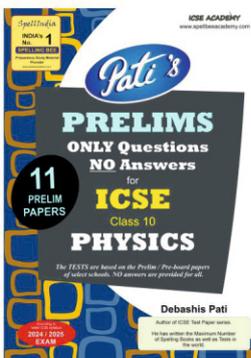
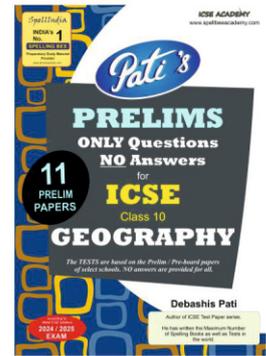
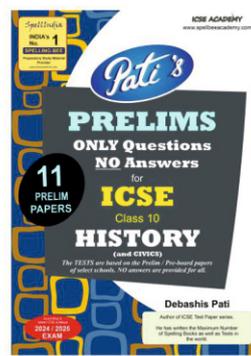
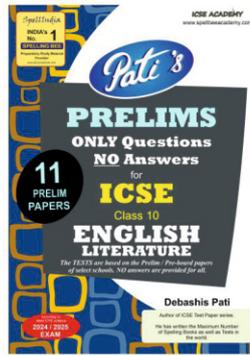
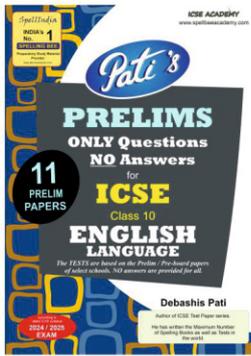
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1. Bombay Scottish, Mahim, Mumbai
2. CNM, Mumbai
3. Jamnabai Narsee, Mumbai
4. Queen Mary, Mumbai
5. St Mary's, Mazgaon, Mumbai
6. St Gregorios, Mumbai
7. Villa Theresa, Mumbai
8. New Horizon International, Thane
9. Christ Church, Mumbai

# Question Paper 1

**Bombay Scottish School, Mahim**  
**PRELIMINARY EXAMINATION**  
**ECONOMICS**

Grade	: 10	Max. Marks	: 80
Date	: 15.01.2026	No. of Questions	: 10
Duration	: 2 Hours	No. of Printed sides	: 09

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*Answers to this paper must be written on the paper provided separately.*

*You will **not** be allowed to write during the first **15** minutes.*

*This time is to be spent in reading the question paper.*

*The time given at the head of this paper is the time allowed for writing the answers.*

---

*Attempt **all** questions from **Section A** and **any four** questions from **Section B**.*

*The intended marks for questions or parts of questions are given in brackets [ ].*

---

## **SECTION A**

(Attempt **all** questions from this **Section**)

### **Question 1**

Choose the correct answers to the questions from the options given below.

(Do not copy the question. Write the correct answer only)

[16]

(i) The factor of production that is inelastic in nature:

- a) Capital
- b) Labour
- c) Land
- d) Enterprise

(ii) **Assertion (A):** Firms earn a normal profit in a perfectly competitive market.

**Reason(R):** Buyers and sellers have perfect knowledge in a perfectly competitive market.

- a) (A) is true and (R) is false
- b) Both (A) and (R) is true and (R) is the correct explanation of (A)
- c) Both (A) and (R) is true but (R) is not the correct explanation of (A)
- d) Both (A) and (R) are false

- (iii) **Administrative Revenue: Fines and Penalties**  
**Commercial Revenue:** \_\_\_\_\_
- a) Licence Fee
  - b) Payments for electricity distribute by the government
  - c) Special Assessment
  - d) Corporation Tax
- (iv) Identify the type of debt raised by the government for organising relief camps during natural disasters.
- a) Productive
  - b) Unproductive
  - c) Gross
  - d) Funded
- (v) **Assertion (A):** Inflation encourages the inflow of foreign capital into the country.  
**Reason(R):** Rising prices lead to higher profits and good returns on investments for foreigners.
- a) (A) is true and (R) is false
  - b) Both (A) and (R) is true and (R) is the correct explanation of (A)
  - c) Both (A) and (R) is true but (R) is not the correct explanation of (A)
  - d) Both (A) and (R) are false
- (vi) The \_\_\_\_\_ function of central bank includes issuing of licenses, branch expansion, liquidity of assets, amalgamation (merger of banks) and liquidation (winding up of banks).
- a) Fiscal Agent
  - b) Banker to the government
  - c) Lender of Last Resort
  - d) Supervisory

- (vii) Which of the following is an incorrect statement?
- a) When goods are substitutes, a fall in the price of one leads to a fall in the quantity demanded of its substitutes.
  - b) When commodities are complements, a fall in the price of one will cause the demand of the other to rise.
  - c) As the income of the consumer increases, the demand for the commodity increases always and vice versa.
  - d) When a commodity becomes fashionable people prefer to buy it and therefore, its demand increases.
- (viii) **Assertion (A):** Perfectly competitive market structures have a uniform price structure.
- Reason (R):** Buyers and sellers both have perfect knowledge about the prevailing markets
- a) (A) is true and (R) is false
  - b) Both (A) and (R) is true and (R) is the correct explanation of (A)
  - c) Both (A) and (R) is true but (R) is not the correct explanation of (A)
  - d) Both (A) and (R) are false
- (ix) Which is an essential feature of barter system?
- a) It is based on transfer value
  - b) It is based on double coincidence of wants
  - c) It is based on unit of account
  - d) It is based on store of value
- (x) A certification mark issued by the Bureau of Indian Standards to products conforming to a set of standards aimed at the least impact on the ecosystem
- a) FSSAI
  - b) ISI
  - c) AGMARK
  - d) ECOMARK

(xi) Which of the following will cause a decrease in quantity demanded while leaving demand unchanged?

- a) An increase in the price of complementary good.
- b) An increase in the income when the good is inferior.
- c) A decrease in the price of a substitute good.
- d) An increase in the price of the good.

(xii)



A rise in the price of potato chips will \_\_\_\_\_ the demand for popcorn and the quantity demanded of popcorn will \_\_\_\_\_.

- a) Increase; increase
- b) Increase; decrease
- c) Decrease; decrease.
- d) Decrease; increase.

(xiii) Demand for a good (X) will tend to be more inelastic if it exhibits which of the following characteristics?

- a) The good (X) has many substitutes.
- b) The good (X) is a luxury.
- c) The good (X) is a small part of the consumer's income.
- d) The consumer can postpone the demand for good (X).

(xiv) The quantity supplied of a good or service is the amount that \_\_\_\_\_

- a) Is actually bought during a given time period at a given price.
- b) Producers plan to sell during a given time period at a given price.
- c) Producers wish they could sell at a higher price.
- d) People are willing to buy during a given time period at a given price.

(xv) An increase in the number of sellers of bikes will increase the \_\_\_\_\_.

- a) The price of a bike.
- b) Demand for bikes.
- c) Demand for helmets.
- d) The supply of bikes.

(xvi) **Assertion (A):** Cheap and affordable credit is crucial for the country's development.

**Reason (R):** Cheap credit encourages households to buy more than what they want.

- a) Both A and R are true, and R is the correct explanation of A.
- b) Both A and R are true, but R is not the correct explanation of A.
- c) A is true, but R is false.
- d) R is true, but A is false.

## Question 2

(i) Asha lives in a small village where most families depend on farming. She works as an assistant at a local grocery shop and earns ₹10,000 per month. After attending an awareness camp conducted by the Self-Help Group, Asha decides she wants to improve her future by starting her own small store in the village. Every month, Asha sets aside ₹2,000 from her salary as a step towards her dream.

Explain the step of the process of capital formation mentioned in the above situation. [2]

(ii) Distinguish between Walking Inflation and Running Inflation. [2]

(iii) 'Businessmen prefer overdraft facility as compare to outright loans.'

Justify the statement by giving a valid reason. [2]

(iv) What is extension of demand? [2]

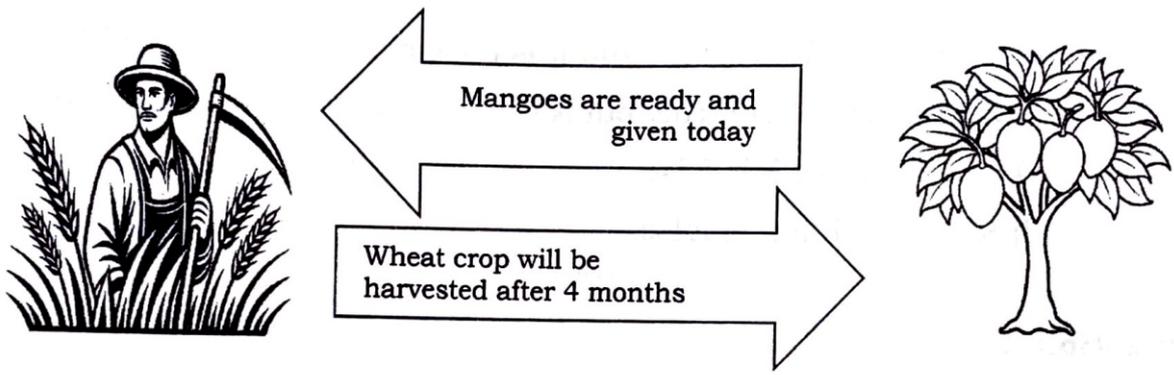
**Question 3**

- (i) In Mumbai, the domestic water charge is approximately ₹6 per 1,000 litres, while the commercial rate is ₹50 per 1,000 litres. [2]

Identify and explain this phenomenon.

Name the type of market structure in which this phenomenon is applicable.

- (ii) Kisan and Rajul are two farmers growing wheat and mangoes respectively. They are part of a village economy that follows barter system. Both agree to exchange their produce with each other.



What are the problems faced in the above situation? (*any two*) [2]

- (iii) What is the Snob Effect in the theory of consumer demand? Give an example. [2]
- (iv) Mansi bought a pack of mozzarella cheese, later she realized that it was expired. Explain the right that she must use to counter this problem? [2]

**Question 4**

- (i) Explain the term Capital Expenditure. [2]
- (ii) *Rampur is a village where every family gives a compulsory contribution of ₹100 each year to a "village fund." The villagers use that fund to repair the common well, fix the path to school, light street-lamps, and clean the village. However, Rajaram's family resides at the outskirts of the village and expect that they should be given free transportation facilities since they contribute to the village fund.* [2]

Identify and explain the feature of taxes that Rajaram has failed to understand.

(iii) The Reserve Bank of India is called the bank of issue.' Justify the statement with two valid reasons. [2]

(iv) Draw and define when price elasticity of supply is greater than one. [2]

### SECTION B

(Answer **any four** questions from this Section.)

#### Question 5

(i) a) Why are funded debts preferred over unfunded debts? [5]

b) Briefly explain the effect on demand due to consumer's income.

(ii) Explain five merits of indirect taxes. [5]

#### Question 6

(i) Define and represent the following graphically: [5]

a) Relatively Inelastic Demand

b) Perfectly Elastic Supply

(ii) *Meera saw an online offer for a popular skincare cream that promised "instant results." Trusting the advertisement, she ordered it without checking further.*

*When the cream arrived, the packaging looked slightly off, but she assumed it*

*was a new design. After using it twice, her skin began to burn, and she*

*realised something was wrong. When she tried to contact the seller, the*

*website had vanished, and there was no helpline.*

*Later, Meera found out that many others in her town had faced similar*

*issues, but none of them knew how to report it or whom to approach.*

*Meanwhile, the seller continued making new websites and selling the same*

*cream to different customers.* [5]

a) List the need for consumer protection that is highlighted from the above case study. (any four points)

b) What is RTI? State the rights included under RTI.

**Question 7**

(i)

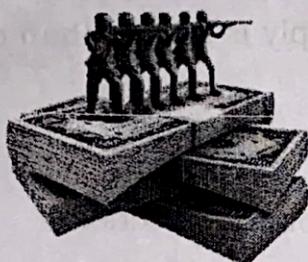


Fig A

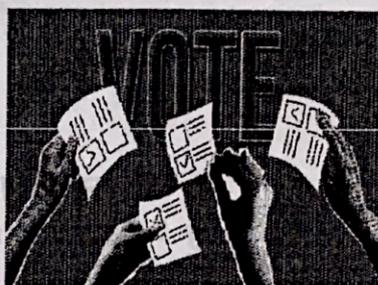


Fig B

Identify and explain the above depicted reasons for the growing public expenditure in India.

[5]

(ii) a) Explain the Bandwagon Effect with the help of an example.

[5]

b) Explain the effect of inflation on the business community.

**Question 8**

(i) a) What do you mean by productivity of land?

[5]

b) Explain three factors affecting efficiency of labour.

(ii) a) What do you understand by the term Joint Supply? Give an example.

[5]

b) Explain Time deposits and its types as a method of accepting deposits by commercial bank.

**Question 9**

(i) a) What is an Irredeemable debt?

[5]

b) Write any three causes of cost – push inflation.

**(ii) INDIGO MELTDOWN: ONE AIRLINE SHOOK THE WHOLE SYSTEM**

In September 2025, IndiGo Airlines faced a large operational setback when a significant number of its crew members reported sick on the same day, leading to widespread flight cancellations and delays. As IndiGo is India's largest domestic carrier, thousands of passengers were stranded across major airports like Delhi, Mumbai, and Bengaluru.

The sudden drop in IndiGo's functional aircraft and staff had a ripple effect

on seat availability with the other airlines such as Air India, Vistara, Akasa, and SpiceJet. However, these airlines had limited spare capacity. Within hours, airfares on competing airlines shot up sharply, especially on high - traffic routes like Delhi-Mumbai and Bengaluru-Kolkata.

Travel portals reported fares rising from ₹4,000 to ₹12,000 on the same day resulting in an inflationary situation. The situation highlighted how disruptions in a dominant player's operations can ripple across the entire aviation market, affecting pricing, demand-supply balance, and consumer welfare.

Based on the above case study answer the following questions: [5]

- a) Represent the change in supply of airline ticket availability in Air India due to the situation developed by IndiGo.
- b) Identify the type of inflation described above. Explain another cause of this type of inflation.
- c) Name the type of market structure this industry belongs to. Explain one feature of this market mentioned in the extract.

### Question 10

- (i) a) Explain the Store of Value function of money. [5]
- b) Briefly describe three factors affecting the elasticity of supply.

(ii) **RBI Monetary Policy (Oct 2025): Rates on Hold; Big Regulatory Push on Credit, Capital & Consumer Protection**

*The RBI kept the policy repo rate at 5.50% with a neutral stance, raised FY26 real GDP to 6.8%, and trimmed FY26 CPI to 2.6%, citing resilient domestic demand and easing inflation.* [5]

- a) What do you understand by the term 'Repo rate'?
- b) How does the RBI use the repo rate to overcome deflation?
- c) Explain the role of credit rationing as a qualitative measure used by the RBI to control credit in the economy.

**Shri Vile Parle Kelavani Mandal's  
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STD	DATE	PRELIMINARY EXAMINATION 2025 -26	TIME	MAX MARKS
X	19.01.2026	<b>ECONOMICS</b>	2 Hours	80
Number of printed pages – 5				

**Answers to this paper must be written on the paper provided separately.  
You will not be allowed to write during the first 15 minutes.  
This time is to be spent in reading the question paper.  
The time given at the head of this paper is the time allowed for writing the answers.**

*This paper comprises of two sections: Section A and Section B*

*Attempt all the questions from Section A and any four from Section B*

*The intended marks for questions or parts of questions are given in brackets [ ].*

### SECTION – A

**40 Marks**

**Attempt all questions:**

**Question : 1**

**Choose the correct answers to the questions from the given options. (Do not copy the question, Write the correct answer only.)**

**[16]**

1. A farmland is lying idle. After a farmer starts working on it, invests in modern equipment, irrigation and better-quality seeds, it starts producing crops. This shows that:
 

(a) Land is limited in supply.	(b) Land is a free gift of nature.
(c) Land is a passive factor of production.	(d) Land is subject to diminishing returns.
  
2. Rahul urgently needs medicine for his illness and buys it immediately, but he delays buying a new laptop for several months. This is because his demand for medicine is:
 

(a) Elastic	<del>(b) Inelastic</del>
(c) Perfectly Elastic	(d) Unit Elastic
  
3. A situation when the government of a country has to raise fresh loans just to pay the interest charges on the earlier loans and repay the loans borrowed.
 

<del>(a) Debt trap</del>	(b) Private trap
(c) Public trap	(d) Commercial trap
  
4. **Assertion (A):** Ms. Sharma, who receives a fixed pension, struggles to maintain her standard of living during periods of rising inflation.  
**Reason (R) :** Inflation reduces the purchasing power of money, meaning the same amount of income buys fewer goods and services over time.
 

(a) Both (A) and (R) are true, and (R) is the correct explanation of (A)
(b) Both (A) and (R) are true, but (R) is not the correct explanation of (A)
(c) Both (A) and (R) are false
(d) (A) is false and (R) is true

5. Which function of money is represented in the given image:



- (a) Medium of exchange
- (b) Measure of value
- (c) Store of value
- (d) Standard of deferred payment

6. COPRA stands for:

- (a) Consumer Protection and Regulation Act
- (b) Consumer Product Rights Act
- (c) Consumer Protection Act
- (d) Consumer Product Assurance Act

7. Examine the relationship between price and quantity demanded using the following data:

Price ( ₹ )	Quantity Demanded ( Kg)
18	2
16	5
14	8
12	12
10	15

- (a) Positive
- (b) Inverse
- (c) Proportional
- (d) No correlation

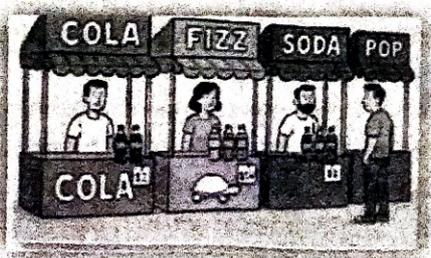
8. Rohit wants to buy a toothpaste and the shopkeeper says that he will sell the toothpaste only if he buys a toothbrush along. Identify which right of Rohit is being violated by the shopkeeper?

- (a) Right to safety
- (b) Right to be informed
- (c) Right to represent
- (d) Right to choose

9. An indicator to measure the average change, overtime in the price paid by the ultimate consumers of a specified basket of goods and services.

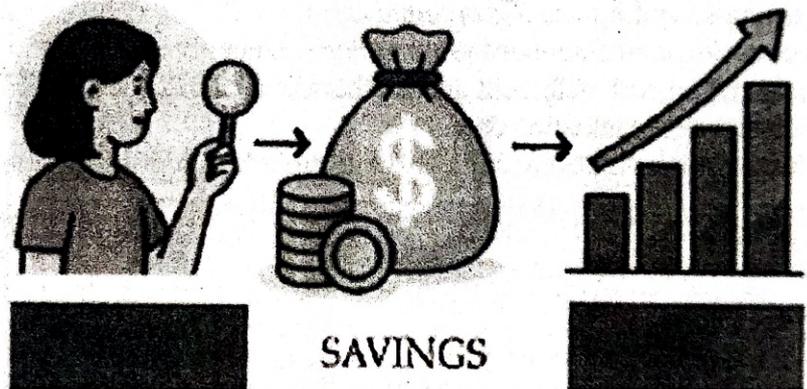
- (a) Consumer Price Index
- (b) Wholesale Price Index
- (c) Producer Price Index
- (d) Retail Price Index

10. The image below shows a shopkeeper offering various food items. This scenario represents; which form of the market?



- (a) Perfect Competition
- (b) Oligopoly
- (c) Monopoly
- (d) Monopolistic competition

11. **Assertion :** (A) The Central Bank acts as a clearing house for commercial banks.  
**Reason :** (R) It settles mutual claims of commercial banks, avoiding the need for cash transfers.
- (a) Both (A) and (R) are true and (R) is the correct explanation of (A).  
 (b) Both (A) and (R) are true but (R) is not the correct explanation of (A).  
 (c) Both (A) and (R) are false  
 (d) (A) is false and (R) is true.
12. FSSAI mark for packaged food items stands for:  
 (a) Food Safety and Standards Authority of India  
 (b) Food Storage and Security Association of India.  
 (c) Federal Safety Standards Agency of India  
 (d) Food Supply and Sanitation Authority of India.
13. **Assertion :** (A) Goods and Services Tax (GST) is an indirect tax.  
**Reason :** (R) The impact and the incidence of tax are on two different persons.
- (a) A is true but R is false  
 (b) Both A & R are true R explains A  
 (c) A is false but R is true  
 (d) Both A & R are true but R does not explain A
14. Which situation best describes an increase in supply?  
 (a) An increase in consumer income leads to higher demand for smartphones.  
 (b) Favourable monsoon increases the supply of rice.  
 (c) Consumers prefer organic foods over processed food  
 (d) Farmers increase the supply of apples after an increase in their prices.
15. The below image depicts \_\_\_\_\_



- (a) capital formation in an economy  
 (b) the process of increasing the stock of capital goods in an economy  
 (c) the money earned from interest and rent.  
 (d) the total population of a country. .
16. How is the income received by the government from the sale of postage stamps categorized?  
 (a) Direct tax revenue  
 (b) Indirect tax revenue  
 (c) Administrative revenue  
 (d) Commercial revenue

**Question 2**

- (i) What was the major drawback of using the barter system as a mode of exchange? (2)
- (ii) Why is labour considered both a human resource and a factor of production? (2)
- (iii) What does the condition 'no close substitutes' imply in a monopoly market? (2)
- (iv) Define *Demonetization*. Does it have an adverse effect on the economy. Discuss. (2)

**Question 3**

- (i) The government earns money from parking fees collected at public transport stations. Identify and explain this type revenue. (2)

**PARKING RATES VARY AS PER LAND PRICES**

Parking charges at stations managed by KSOC are linked to land prices. So, they vary between stations. The idea is to discourage private vehicles from coming to the station. It's unfair to compare parking fee with train fares, which haven't been revised for years. The amount collected will be used to improve facilities at the station. We are also coming up with various plans to promote public transport.

**MALT AND PAY:** Private vehicles exceeding a seven-minute grace period at KSR City railway station must pay a parking fee.

SK Lohia | MD & CEO, KSOC

- (ii) What do you understand by *Contraction of Supply*? (2)
  - (iii) Why is taxation considered an essential tool in public finance (2)
  - (iv) A vendor sells milk mixed with detergent and markets it as "pure cow milk." He also uses fake labels to show a recent packaging date. (2)
- Identify the unethical practice and state the consumer right being violated.

**Question 4**

- (i) How is increase in money supply a problem for Demand Pull Inflation? (2)
- (ii) The quantity supplied of a product increases by 20% in response to the price increase of 10%. Calculate and comment on the price elasticity using the percentage method. (2)
- (iii) What is meant by '*Consumer Awareness*'? Name the consumer courts at the district, state and national levels. (2)
- (iv) Distinguish between Normal and Inferior goods. (2)

**SECTION – B**  
(Attempt any four questions)

40 Marks

**Question 5**

- (i) The Government of India recently introduced several reforms to strengthen the functioning of Commercial banks and improve the banking sector's efficiency. In this context, answer the following questions:
- (a) What is a Commercial bank? (5)
  - (b) State and explain two deposits and two advances given by commercial banks. (5)
- (ii) State five factors that affect the elasticity of supply. (5)

**Question 6**

- (i) "Entrepreneurs: The engine of growth for the economy." With reference to the statement explain the role of an Entrepreneur in the economic development of the nation. (5)
- (ii) Define Food basket. Explain the four types of inflation (5)

**Question 7**

- (i) Distinguish between Revenue and Capital expenditure with an example. (5)
- (ii) (a) Define Price discrimination. (5)
- (b) Explain any four features of Perfect Competitive market. (5)

**Question 8**

- (i) Explain any five demerits of direct tax. (5)
- (ii) Differentiate between Extension and Contraction of demand with the help of a graph. (5)

**Question 9**

- (i) Define 'Public Debt'. Explain four types of Public Debt. (5)
- (ii) Explain three reasons of a rightward shift of the supply curve with the help of a graph. (5)

**Question 10**

Read the extract and answer the following:

- (i) Food adulteration is a complex issue that requires a multi-pronged approach involving government intervention, industry co-operation and consumer awareness. In Country X addressing food adulteration is an ongoing challenge, but with a concerted effort from all stakeholders, there is hope for creating a safer and more trustworthy food supply chain in the future. (5)
- (a) In order to secure consumer rights what duties should the consumers fulfil? [2]
  - (b) Mention any three harmful effects of food adulteration. [3]
- (ii) Explain the four Quantitative measures adopted by the Reserve Bank of India to control credit. (5)



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## SECOND PRELIMINARY EXAMINATION – JANUARY 2026 ECONOMICS

Std. 10  
Duration: 2 h  
Marks: 80  
Date: 05.01.20

*Answer to this paper must be written on the paper provided separately.*

*You will not be allowed to write during the first 15 minutes.*

*This time is to be spent in reading the question paper.*

*The time given at the head of this Paper is the time allowed for writing the answers.*

*Attempt all questions from Section A and any four questions from Section B.*

*The intended marks for questions or parts of questions are given in brackets [ ].*

*This Paper consists of 10 printed pages.*

### SECTION A (40 marks)

*(Attempt all questions from this Section.)*

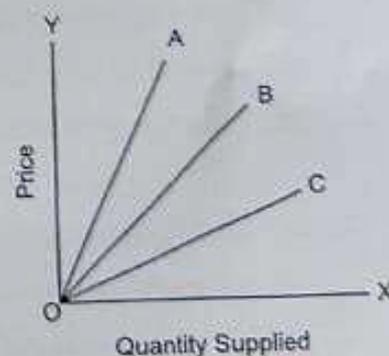
#### Question 1

Choose the correct answers to the questions from the given options.

(Do not copy the question, write the correct answer only.)

- (i) Identify the **correct** statement with respect to the following diagram.

- (a) **B** shows unit elastic and **A** shows inelastic supply.
- (b) Both **B** and **C** show unit elastic supply.
- (c) **A** shows inelastic and **C** shows elastic supply.
- (d) **A** shows elastic and **C** shows inelastic supply.



(ii) **Statement 1:** Unfunded debt helps to finance long-term development projects like construction of national highways.

**Statement 2:** Funded debt helps to finance temporary deficits in the government budget.

- (a) Both statements are true.
- (b) Both statements are false.
- (c) Statement 1 is true; Statement 2 is false.
- (d) Statement 2 is true; Statement 1 is false.

(iii) Identify the taxation system displayed in the table below:

Income (₹)	Rate of Tax (%)	Amount of Tax Paid (₹)
10,000	12%	1,200
25,000	10%	2,500
50,000	8%	4,000
100,000	6%	6,000
200,000	4%	8,000

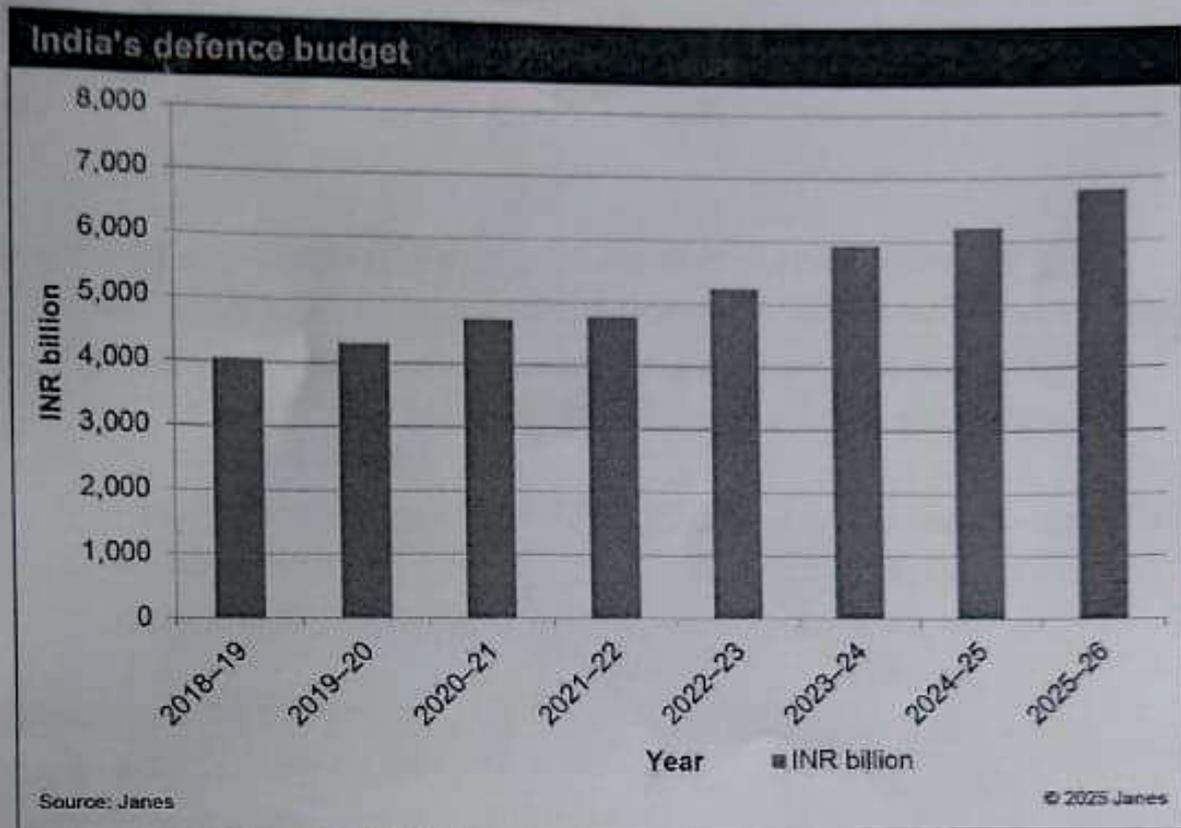
- (a) Regressive
- (b) Degressive
- (c) Progressive
- (d) Proportional

(iv) As a *fiscal agent*, the central bank \_\_\_\_\_.

- (a) accepts deposits from the government
- (b) collect taxes on behalf of the government
- (c) gives short term loans to the government
- (d) helps the government to frame trade policies

(v) Labour is both *means and end of production* because \_\_\_\_\_.

- (a) it is a primary factor of production
- (b) it is an active factor and activates the other factors of production
- (c) it produces goods and also consumes them
- (d) it has less bargaining power



The above image is an illustration of \_\_\_\_\_ cause of increase in Public Expenditure.

- (a) Political
- (b) Social
- (c) Economic
- (d) Technical

(vii) **Assertion (A):** It is not possible to determine the demand curve for the car industry in India.

**Reason (R):** There is huge interdependence among the firms in this market.

- (a) Both A and R are true, and R is the correct explanation of A.
- (b) Both A and R are true, but R is not the correct explanation of A.
- (c) A is true but R is false.
- (d) A is false but R is true.

(viii) The system of replacing old assets with new assets is known as \_\_\_\_\_.

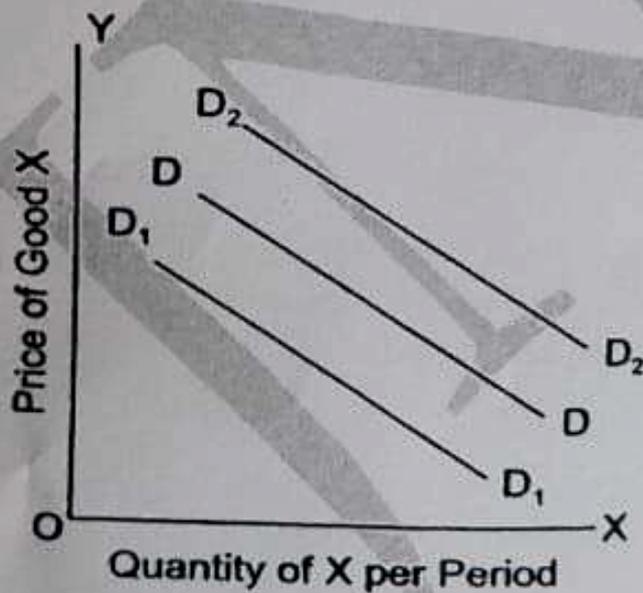
- (a) replacement investment
- (b) capital formation
- (c) depreciation
- (d) asset allocation



- (ix) Silver is an important input used in manufacturing electronic gadgets such as smartphones, laptops, and tablets because it is a highly efficient conductor of electricity. Recently, the global price of silver has increased sharply. To maintain profitability, many companies have increased the prices of their smartphones and other gadgets.

The type of inflation shown in the case is:

- (a) Demand pull inflation
  - (b) Demand push inflation
  - (c) Cost pull inflation
  - (d)  Cost push inflation
- (x) The diagram given below shows the original demand curve (DD) for good X which is a complement of good Y. If there is a rise in price of good Y, which demand curve for good X is relevant?



- (a) DD
- (b) D1D1
- (c)  D2D2
- (d) DD1

(xi) Price elasticity of demand for a commodity will be *elastic* when the value of  $E_d$  is equal to

$E_d > 1$

- (a) 1
- (b) 0
- (c) 0.8
- (d) 1.2

(xii) Find the odd one out with respect to Public Revenue.

- (a) Profit of Indian Railways
- (b) Price paid for stamps in the postal department
- (c) Irrigation charges
- (d) Registration fee paid for motor vehicles

(xiii) Identify the **incorrect** statement:

- (a) Recurring deposit account - The account holder deposits a specified amount only once at the beginning for a fixed period of time.
- (b) Saving deposit account - Customers can withdraw money subject to certain restrictions.
- (c) Current account - overdraft facility is available.
- (d) Fixed deposit account - cheque book facility is not available.

(xiv) Which of the following product is more likely to have an FSSAI mark?

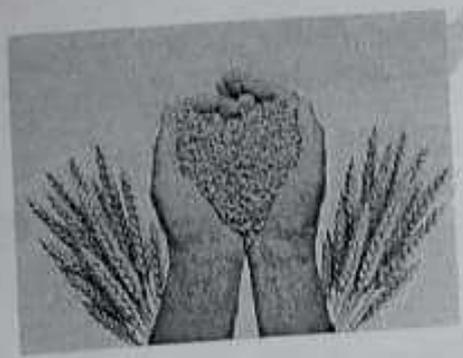
(a)



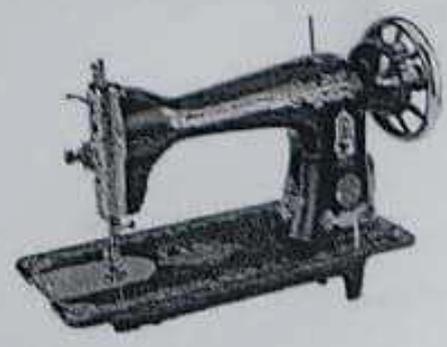
(b)



(c)



(d)



- (xv) Public Finance is that part of Economics which deals with \_\_\_\_\_
- (a) income and expenditure of the country
  - (b) capital and revenue expenditure of the government
  - (c) national and international operations of the central bank
  - (d) revenue and expenditure operations of the government

(xvi)



The above shown images are examples of *bank money*.

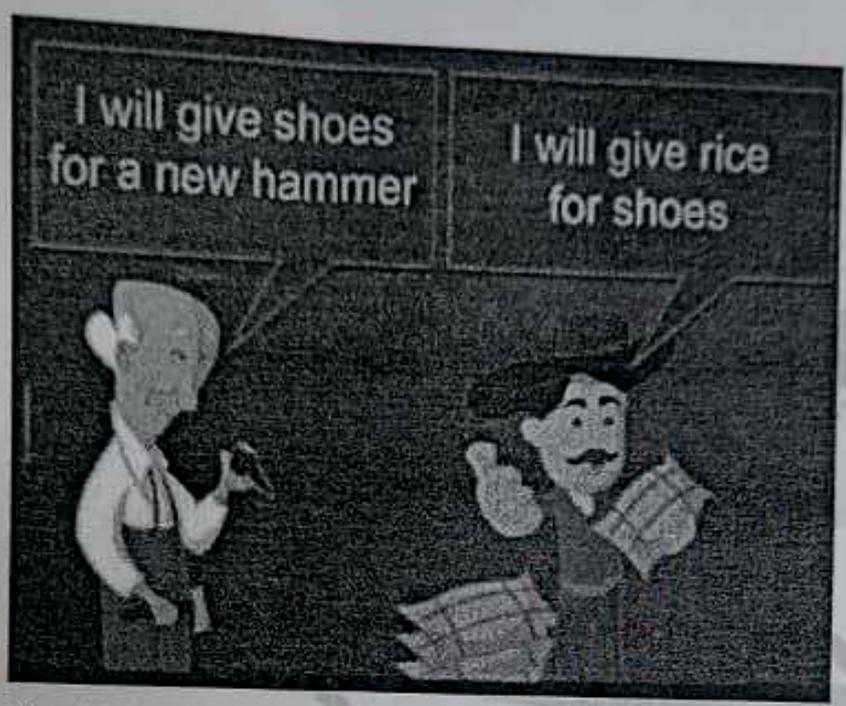
- (a) True
- (b) False

**Question 2**

- (i) State *any two* advantages of giving monopoly rights of note issue to the central bank. [2]
- (ii) What is Veblen effect? *V = 2500* [2]
- (iii) Two toothpaste brands, Fresh Smile and White Glow, sell similar products, but Fresh Smile highlights its herbal ingredients while White Glow emphasises ingredients that give instant whitening results. [2]  
Identify and explain the feature of Monopolistic competition market illustrated in this case.
- (iv) How is *creeping inflation* different from *hyperinflation*? *Product Monop* [2]

Question 3

- (i) Explain any two economic reasons for growth of public expenditure.
- (ii) Give any two advantages of the Right to Information Act to the citizens of India.
- (iii)



Identify and explain the problem of barter economy shown in the above image.

- (iv) How is cash credit different from short term loans?

Question 4



Identify and briefly explain the administrative method of consumer protection shown in the above image.

- (ii) State any two points that highlight the need for capital formation in an economy.
- (iii) What is Progressive tax?
- (iv) Give meanings of the following terms:
- (a) Productive debt
  - (b) Redeemable debt

**SECTION B (40 marks)**

*(Attempt any four questions from this Section.)*

**Question 5**

- (i) Describe any three qualitative techniques through which the central bank regulates credit in the economy.
- (ii) (a) Why is income of an entrepreneur residual in nature?  
 (b) How do entrepreneurs help in balanced regional development of a country?  
 (c) Explain risk bearing and decision-making functions of an entrepreneur.

**Question 6**

- (i) Explain the different reasons for consumer exploitation in India.

(ii)

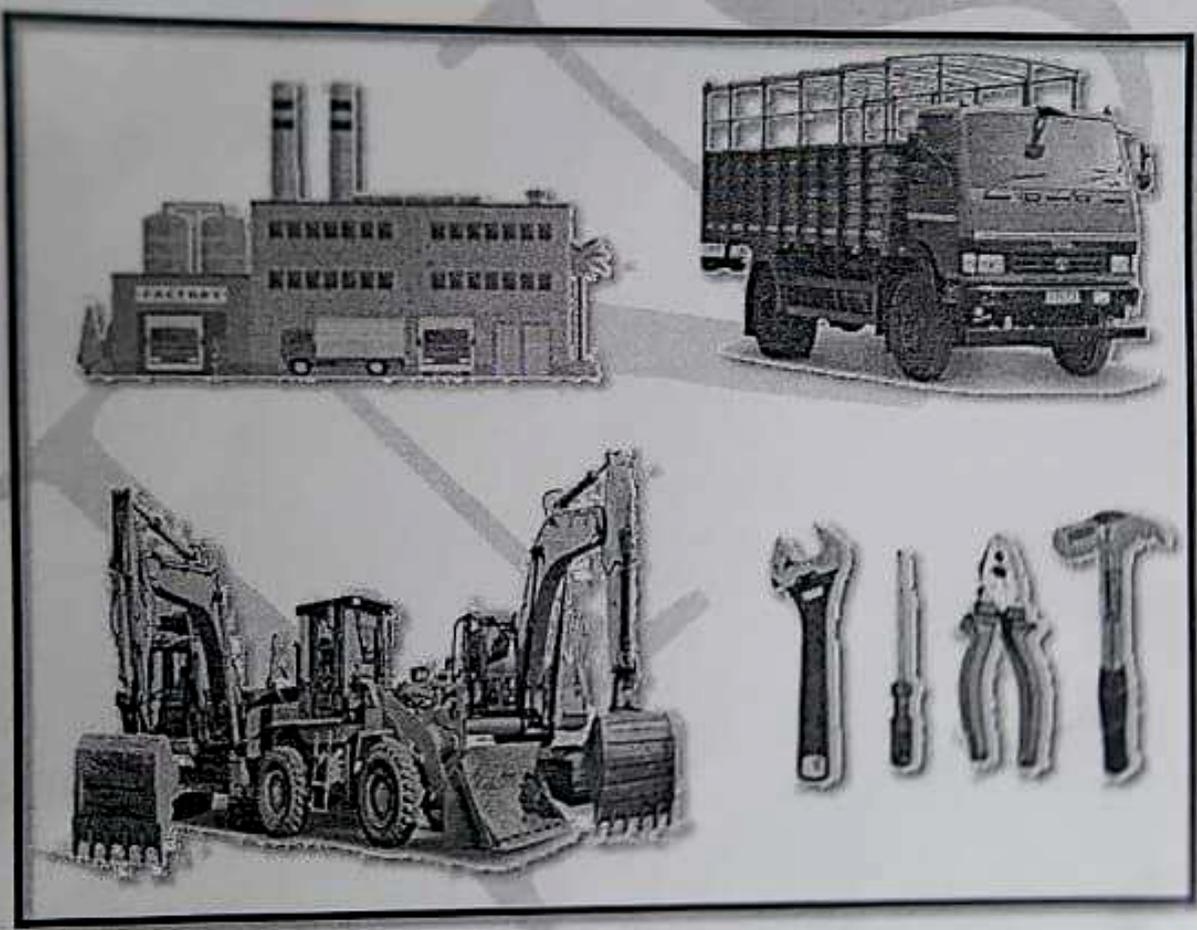
	Price in ₹	Quantity supplied in kgs
A	10	35
B	10	30

- (a) Give meaning of the type of change in supply shown in the above table.  
 (b) Draw a diagram with the given data.  
 (c) State any four reasons for such a change in the supply curve.

Question 7

- (a) State the Law of supply. [5]
- (b) Give meaning and draw diagrams for:
  - 1. Increase in demand
  - 2. Elastic demand
- (c) Differentiate between Direct tax and Indirect tax. [5]

Question 8



Explain any five characteristics of the factor of production shown in the above image.

- (ii) (a) Define inflation.
- (b) Explain the impact of inflation on production.

## Question 9

- (i) Some producers are able to increase their output quickly when prices rise, while others cannot respond as easily and their supply remains inelastic. [5]

Based on the above statement, explain the factors that affect the *elasticity of supply*.

- (ii) Define money and explain the primary functions of money. [5]

## Question 10

- (i) 'The law of demand does not always hold true.' Discuss *any three* situations where this law fails. [5]

- (ii) An electronics company imports washing machines from South Korea. The government levies a customs duty on each imported unit. The company adds this duty to the selling price and passes the burden on to buyers. As a result, customers end up paying more for these washing machines in the market. *Indirect tax* [5]

- (a) Identify and explain the type of tax imposed in the above case.  
(b) What should the government do to make this tax equitable for the society?  
(c) Write *any three* demerits of this type of tax.
-

Attempt all questions from Section A and any four questions from Section B

The intended marks for questions or parts of questions are given in brackets ( )

SECTION A

(Attempt all questions from this Section)

Question 1

Choose the correct answers to the questions from the given options.  
(Do not copy the question, write the correct answers only)

1. Assertion: Mr. Gupta earns a fixed income every month, but he tends to get adversely affected during Inflation

Reason: The prices of goods, services and the cost of living, does not rise in the same proportion as income, during inflation.

(1)

- a. Both A and R are true and R is the correct explanation of A
- b. Both A and R are true, but R is not correct explanation of A
- c. Both A and R are False
- d. A is false and R is true

2. Under \_\_\_\_\_, the rate of tax increases with rise in tax payers income.

(1)

- a. Progressive tax
- b. Proportional tax
- c. Regressive tax
- d. Digressive tax

3. The process of buying and selling of securities by the central bank of a country is known as \_\_\_\_\_.

(1)

- a. Margin requirement
- b. Open Market Requirement
- c. Cash Reserve Ratio
- d. Statutory Liquidity Ratio

4. The deposits in the bank accounts that can be withdrawn anytime without notice are called \_\_\_\_\_.

(1)

- a. Demand deposit
- b. Primary deposit
- c. Term deposit
- d. Same deposit

There are five stages of evolution of money which of the following order is correct?

- a. Bank, Paper, Metallic, Commodity, Animal
  - b. Paper, Metallic, Bank, Commodity, Animal
  - c. Animal, Commodity, Metallic, Paper, Bank
  - d. Animal, Commodity, Metallic, Bank, Paper
6. A seller cannot influence the market price under \_\_\_\_\_. (1)
- |                             |              |
|-----------------------------|--------------|
| a. Perfect competition      | b. Monopoly  |
| c. Monopolistic competition | d. Oligopoly |
7. When the percentage change in demand of a commodity is greater than the percentage change in its price, the demand for the commodity is \_\_\_\_\_. (1)
- |              |              |
|--------------|--------------|
| a. $E_d = 1$ | b. $E_d > 1$ |
| c. $E_d = 0$ | d. $E_d < 1$ |
8. The demand for goods which can be put to several uses is known as \_\_\_\_\_. (1)
- |                |               |
|----------------|---------------|
| a. Competitive | b. Autonomous |
| c. Composite   | d. Indirect   |
9. The Standard Mark given to packaged food is \_\_\_\_\_. (1)
- |             |          |
|-------------|----------|
| a. AGMARK   | b. FSSAI |
| c. Hallmark | d. ISI   |
10. \_\_\_\_\_ inflation occurs when price rise at a very fast rate from more than 20 % to 100 % or more per annum. (1)
- |             |            |
|-------------|------------|
| a. Creeping | b. Walking |
| c. Running  | d. Hyper   |
11. \_\_\_\_\_ is that which is never returned by the Government although it pays the interest thereon regularly. (1)
- |                      |                    |
|----------------------|--------------------|
| a. Funded debt       | b. Unfunded debt   |
| c. Irredeemable debt | d. Redeemable debt |
12. \_\_\_\_\_ does neither create assets neither reduces liability of the Government. (1)
- |                            |                           |
|----------------------------|---------------------------|
| a. Revenue Expenditure     | b. Capital Expenditure    |
| c. Development Expenditure | d. Commercial Expenditure |

13. When the same work is done by two or more persons it is called \_\_\_\_\_. (1)
- a. Simple division of labour  
b. Occupational division of labour  
c. Complex division of labour  
d. Horizontal division of labour
14. The concentration of cotton textile industries in Maharashtra and Gujarat are due to \_\_\_\_\_ based division of labour. (1)
- a. Territorial  
b. Process  
c. Product  
d. Technological
15. It \_\_\_\_\_ is used again and again, its value depreciates gradually. (1)
- a. Capital  
b. Cotton  
c. Raw material  
d. Electricity
16. When percentage change in quantity supplied is equal to percentage change in its price then it is called \_\_\_\_\_ supply. (1)
- a. Unit elastic  
b. Perfectly elastic  
c. Perfectly inelastic  
d. Normal elastic

**Question 2**

- a) Give two causes of Cost push inflation. (2)
- b) Define Inelastic demand. (2)
- c) Compare the interest rates as given by the bank on saving, current and fixed deposits? (2)
- d) Why is creeping inflation considered good for an economy? (2)

**Question 3**

- a) What do you mean by GST? When was it implemented? (2)
- b) What is Public Finance? (2)
- c) What its meant by the term 'price taker'? Under which market form, firm is price taker?(2)
- d) Briefly discuss any two quantitative measures adopted by Reserve bank of India to control credit in the country. (2)

**Question 4**

- a) What is Productive debt? Give two examples of productive debt. (2)
- b) State any two demerits of Barter system of exchange. (2)
- c) When does increase in demand takes place? (2)
- d) State any two features of COPRA. (2)

(Attempt any four questions from this section)

**Question 5**

- a) Define a tax. Explain briefly four merits of Indirect tax. (5)
- b) Explain any five characteristics of Capital as a factor of production. (5)

**Question 6**

- a) What is Monopolistic competition? Describe its main features. (5)
- b) Define Money. What are the functions of money? (5)

**Question 7**

- a) State the law of Demand. Briefly Explain four exceptions to the Law of Demand. (5)
- b) Discuss any five reasons for the growth of public expenditure in India. (5)

**Question 8**

- a) What is demand pull inflation? Explain the factors that cause demand pull inflation. (5)
- b) What is efficiency of Labour? Explain four causes of low efficiency of Indian Labour. (5)

**Question 9**

- a) Mention one way by which consumers are exploited in the market. Explain four reasons as to why consumers are exploited. (5)
- b) Explain the following function of the Central Bank. (5)
- i) Fiscal Agent of the government
- ii) Advisor to the government

**Question 10**

- a) Define Commercial Bank. Explain different ways in which commercial banks advance loans to the public. (5)
- b) Define Elasticity of supply. Explain three determinants of elasticity of demand. (5)

\*\*\*\*\*

STD : 10

MARKS: 80

DATE: 09/01/2026

TIME: 2 hours

Answers to this Paper must be written on the paper provided separately.

You will not be allowed to write during the first 15 minutes.

This time is to be spent reading the question paper.

[The time given at the head of this Paper is the time allowed for writing the answers.]

Attempt all questions from Section A and any four questions from Section B.

The intended marks for questions or parts of questions are given in brackets [ ]

## SECTION A (Attempt all questions from this Section.)

### Question 1

Choose the correct answers to the questions from the given options.

(Do not copy the question, write the correct answers only.)

[16]

1. In which market structure can a seller charge different prices for the same product?
  - (a) Perfect competition
  - (b) Oligopoly
  - (c) Monopoly
  - (d) Monopolistic competition
2. Which type of labour best describes Indian farmers?
  - (a) Product-based
  - (b) Process-based
  - (c) Monopoly-based
  - (d) Complex-based
3. An increase in labour wages without any improvement in productivity will most likely:
  - (a) Raise production costs
  - (b) Reduce unemployment
  - (c) Keep market output stable
  - (d) Increase labour demand
4. If the Reserve Bank of India raises the repo rate, what is the most likely outcome?
  - (a) Expansion in money supply
  - (b) Increase in borrowing
  - (c) Reduction in credit creation
  - (d) Decrease in lending rates

5. Who benefits the most during inflationary periods?

- (a) Lenders
- (b) Pensioners
- (c) Fixed-income earners
- (d) Borrowers

6. Elasticity of demand is expected to be highest for which of the following goods?

- (a) Insulin
- (b) Salt
- (c) Electricity
- (d) Branded clothing

7. Which of the following factors of production is most influenced by technological advancements?

- (a) Labour
- (b) Land
- (c) Entrepreneur
- (d) Capital

8. A rise in government expenditure on infrastructure is most likely to cause:

- (a) Stagflation
- (b) Deflation
- (c) Cost-push inflation
- (d) Demand-pull inflation

9. Which of the following is NOT a function of commercial banks?

- (a) Accepting deposits
- (b) Lending money
- (c) Issuing currency
- (d) Providing financial advice

10. The Statutory Liquidity Ratio (SLR) is primarily maintained to:

- (a) Control the money supply
- (b) Provide subsidies to industries
- (c) Boost consumer expenditure
- (d) Ensure banks remain liquid

11. Which of the following serves as the basic source of consumption?

- (a) Land
- (b) Entrepreneur
- (c) Capital
- (d) Labour

12. A firm under perfect competition is said to be a price taker because:

- (a) It determines its own price freely
- (b) It has no control over the market price due to homogeneous products and market forces
- (c) It has partial control over prices
- (d) It sells a differentiated product

13. COPRA has enabled us as consumers to have ..... the right to represent in the consumer courts when on many occasions, they also have individual consumers appear before the court?

- (a) Right to information
- (b) Right to consumer education
- ~~(c) Right to redressal~~
- (d) Right to represent

14. If the Central bank sells government securities in the open market, the money supply in the economy will:

- (a) Decrease
- (b) Increase
- (c) Remain unchanged
- ~~(d) Fluctuate with demand~~

15. If the price elasticity of demand for a product is greater than one, it indicates that:

- (a) The product is a necessity
- (b) Demand is highly sensitive to price changes
- ~~(c) The supply is fixed~~
- (d) Demand remains unaffected by price

16. In a perfectly competitive market, if one firm raises its price:

- ~~(a) It will lose all its customers~~
- (b) It will capture more of the market
- (c) Its profits will increase
- (d) The overall market price will rise

#### Question 2

- a) Suppose you buy a bottle of honey and a biscuit packet. Which mark you will have to look for? [2]
- b) What is meant by fiscal deficit? Explain one implication of a high fiscal deficit for an economy. [2]
- c) Differentiate between direct taxes and indirect taxes with suitable examples. [2]
- d) A new electric car company launches affordable, eco-friendly vehicles in India. Explain two ways this initiative can influence consumer demand and market competition. [2]

#### Question 3

- a) Explain how commercial banks create credit in an economy. [2]
- b) What is meant by fiscal policy? [2]
- c) State two advantages of digital banking over traditional banking. [2]
- d) Identify whether the demand for the following goods is elastic or inelastic and state the reason for each: [2]
  - i) Air tickets
  - ii) Essential medicines
  - iii) Luxury watches
  - iv) Cooking oil

#### Question 4

- a) Explain the meaning of demand-pull inflation. Mention one major cause of it. [2]
- b) Discuss any two limitations of the barter system that led to the introduction of money. [2]
- c) In the context of perfect competition, why can firms not influence the price of goods in the market? [2]
- d) Discuss how defence spending contributes to the rising burden of public expenditure. [2]

### SECTION B

(Attempt any four questions from this Section.)

#### Question 5

- a) Differentiate between Perfect Competition and Monopoly in terms of product type, control over price, entry barriers, number of sellers and the practicality. [5]
- b) i) State and explain the Law of Supply. How does it show the relationship between price and quantity supplied? [3]

ii) Draw a hypothetical supply schedule and plot a supply curve. [2]

**Question 6**

a) Explain the following types of elasticity of demand with neatly labelled diagrams: [5]

i) Perfectly Elastic Demand ( $E_d = \infty$ )

ii) Unitary Elastic Demand ( $E_d = 1$ ) [5]

b) Complete the table below by calculating the Market Supply of wheat:

Price of Wheat (Rs. Per kg)	Supply by Firm A	Supply by Firm B	Supply by Firm C	Market Supply
20	5	3		11
22		4	6	14
24	6	5	7	
25	7		8	17

**Question 7**

a) Explain any five major functions of the Central Bank, highlighting its role as a controller of credit and a banker to the government. [5]

b) Read the Case Study and answer the following: [5]

*The Government of India has recently increased its spending on rural infrastructure, free healthcare services, and employment guarantee schemes. While these programs aim to improve living standards and reduce inequality, the government's total expenditure has significantly increased over the past few years. Economists have raised concerns about the growing fiscal deficit and the long-term sustainability of such spending.*

Answer the following:

i) Identify and explain two types of public expenditure mentioned in the case.

ii) State two objectives that justify such an increase in expenditure.

iii) Discuss one reason for continuously rising public expenditure.

**Question 8**

a) Distinguish between Contraction in Demand and Decrease in Demand, with the help of a diagram. [5]

b) With the help of examples, discuss any five major sources of public revenue in India. [5]

**Question 9**

a) Explain any five causes for low productivity of labour in developing countries like India. [5]

b) Explain any five rights of the consumers as accepted by COPRA. [5]

**Question 10**

a) Describe the quantitative credit control measures used by the Central Bank, such as the Bank Rate Policy, Open Market Operations, and Cash Reserve Ratio. [5]

b) Explain the different stages of Inflation. [5]



# ST. GREGORIOS HIGH SCHOOL

## PRELIMINARY EXAMINATION ECONOMICS

Std: X

Date: 12.01.26

No. of Pages: 9

Marks : 80

Time : 2 hours

The first 15 minutes are for reading only. No writing work is to be done during this time. The writing time is excluding this reading time.

Attempt **all** questions from **Section A, Section B and Section C**. The intended marks for questions or parts of questions are given in brackets ( )

### SECTION A-(16 Marks)

#### Question 1

- (i) Labourers get \_\_\_ for the task they perform and whereas entrepreneur hopes to get \_\_\_ for the risk they take in a business: [1]
- (a) Rent and profit
  - (b) Wage and profit
  - (c) Profit and wage
  - (d) Wage and interest
- (ii) Which of the following best explains the substitution effect? [1]
- (a) Consumers' real income changes
  - (b) Consumer replaces expensive goods with cheaper goods
  - (c) Consumer's preferences changes
  - (d) Consumer population increases

- (iii) Under a monopoly market, the selling cost is incurred for: [1]
- (a) Average cost of production
  - (b) Government regulation
  - (c) Interaction of market demand and marginal revenue
  - (d) Marginal cost at all levels of output
- (iv) What is one major consequence of galloping inflation? [1]
- (a) Price decrease
  - (b) Rapid price increase
  - (c) Steady price increase
  - (d) Mild price increase
- (v) **Assertion (A):** Workers demand higher wages. [1]  
**Reason (R):** Inflation reduces the purchasing power of money, and hence there is erosion of real income.
- (a) Both A and R are true, and R is the correct explanation of A.
  - (b) Both A and R are true, but R is not the correct explanation of A.
  - (c) A is true, but R is false.
  - (d) A is false, but R is true.
- (vi) **Assertion (A):** Indirect taxes can be made progressive. [1]  
**Reason (R):** More excise duties are imposed on producing luxury items, and exemptions from taxes are levied on necessary items.
- (a) Both A and R are true, and R is the correct explanation of A.
  - (b) Both A and R are true, but R is not the correct explanation of A.

(c) A is true, but R is false.

(d) A is false, but R is true.

(vii) Mohit recently purchased an air conditioner from XYZ Electronics. Upon delivery, he noticed the air conditioner had dents. He also discovered that the cooling system was not working properly, and he did not receive a satisfactory resolution after contacting XYZ Electronics: [1]

Which of Mohit's consumer rights is primarily being violated in the scenario?

(a) Right to fair trade practices

(b) Right to redressal

(c) Right to be informed

(d) Right to make a choice

(viii) An increase in the price of the Rolls-Royce car leads to higher demand among the elite customers, even though close substitutes exist. [1]

(a) Marginal utility rises with price

(b) High price itself becomes a source of utility

(c) The income effect is stronger than the substitution effect

(d) Demand curve slopes downward at higher prices

(ix) One of the essential conditions of perfect competition is: [1]

(a) product differentiation

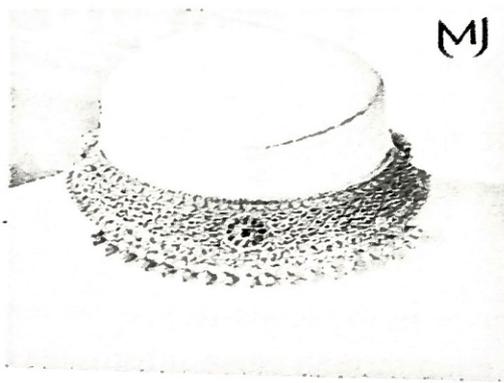
(b) many sellers and few buyers

(c) same price for the same goods at a point of time

(d) multiplicity of prices for identical products at a point of time

- (x) Mr. Krishna purchases 1 litre of milk per day when it is priced at Rs. 35 per litre. On the arrival of his guests, he purchased 8 litres of milk. Choose the correct impact on demand for milk:
- (a) Increase in Demand
  - (b) Decrease in demand
  - (c) Increase in quantity demanded
  - (d) Decrease in quantity demanded

(xi)



While buying gold jewellery, Raina notices a logo that assures the standardisation and purity of the product.

Identify the correct logo from the options below.

- (a) Ecomark
  - (b) Agmark
  - (c) ISI
  - (d) Hallmark
- (xii) A car owner notices that after filling petrol from a local fuel station, the vehicle's engine performance drops and excessive smoke is emitted. On inspection, it is found that kerosene has been mixed with petrol to increase profit. This practice is known as:
- (a) Fuel standardisation

- (b) Adulteration of fuel
- (c) Conservation of energy
- (d) Branding malpractice

[1]

(xiii) Match the following:

1.	Prices offered by the fashion industry depend on the services provided for their uniqueness.	P.	Perfectly Competitive Market.
2.	The Central government is the sole buyer of defence equipment.	Q.	Monopoly Market
3.	Concession in railway tickets for senior citizens as compared to normal passengers.	R.	Monopolistic Competition
4.	The sellers have to quote the market price, which usually remains uniform.	S.	Monopsony Market

- (a) 1-S, 2-Q, 3-P, 4-R
- (b) 1-Q, 2-R, 3-S, 4-P
- (c) 1-R, 2-P, 3-Q, 4-S
- (d) 1-R, 2-S, 3-Q, 4-P

(xiv) An inferior good for which demand falls with a fall in price:

[1]

- (a) Normal good
- (b) Complementary good
- (c) Giffen good
- (d) Substitute good

(xv) Which of the following is not associated with fiscal policy? [1]

- (a) Public Revenue
- (b) Public expenditure
- (c) Public debt
- (e) Open market operations

(xvi)



Observe the image given above, and identify the division of labour. [1]

- (a) Horizontal division of labour
- (b) Vertical division of labour
- (c) Process-based division of labour
- (d) Product-based division of labour

### SECTION B- (24 MARKS)

#### Question 2

- (i) Why is capital subjected to depreciation? Explain with an example [2]
- (ii) How is Creeping Inflation different from Walking Inflation? [2]
- (iii) Distinguish between Redeemable and Irredeemable debt. [2]
- (iv) What do you understand by COPRA? [2]

**Question 3**

- (i) Give any two differences between tax on income and tax on a commodity. [2]
- (ii) Briefly explain two objectives of taxation. [2]
- (iii) What do you understand by a Recurring Deposit? [2]
- (iv) Briefly explain any two causes for the leftward shift in the Supply Curve. [2]

**Question 4**

- (i) Why is the Demand curve of a Monopoly firm less elastic? [2]
- (ii) Give Prof. Dalton's definition of Public Finance. [2]
- (iii) What is meant by the Contraction of Demand? Illustrate your answer with a diagram. [2]
- (iv) Why are railway fares and irrigation charges sources of commercial revenue? [2]

**SECTION C (40 Marks) (ANY FOUR)**

**Question 5**

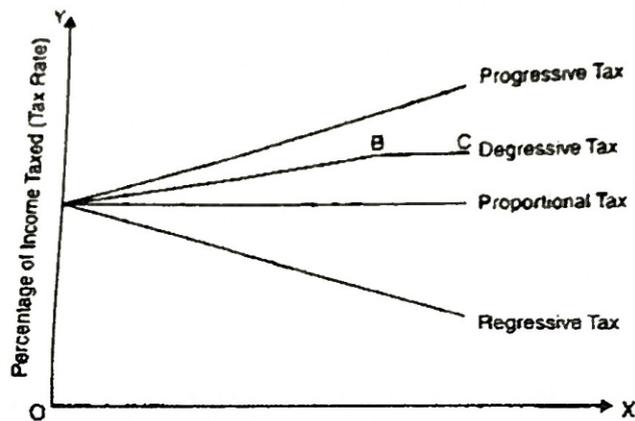
- (i) *"The Indian Railways said that there is no proposal yet to restore concessions offered to certain categories of people in the ticket fares after the facility was stopped due to the coronavirus pandemic."* (Source: Economic Times, August 2021)
  - (a) The Indian Railway is an example of which type of market? Define it. [2]
  - (b) State three features of the market highlighted in the above extract. [3]
- (ii) *The administrative revenue is generally incidental to the functioning of Government departments are not a major source of income.*  
Write in detail about any five types of administrative revenues. [5]

### Question 6

- (i) *The Adarsh Housing Society in Mumbai was originally meant to provide affordable housing to war widows and defence personnel. Later, it was revealed that flats were illegally allotted to high-ranking government officers. This information came to light after activists and citizens sought official documents related to the land by filing an RTI.* 15

What is RTI? Write its process in brief.

Observe the diagram below and answer the following questions. 15



- (ii) (a) Why is the curve representing the Proportional tax flat? Explain.  
 (b) Is Income tax in India a regressive or progressive tax? Explain.

### Question 7

- (i) (a) Write any two characteristic features of perfect competition in a market situation. 1  
 (b) What are PDS and Special Assessments? 1
- (ii) With suitable diagrams, explain the following degrees of elasticity with examples. 1
- (a)  $\epsilon_s > 1$  (b)  $\epsilon_d > 1$

### Question 8

- (i) *India and Taiwan are reportedly close to finalising a deal for the far eastern country to host as many as one lakh Indian workers. This comes close on the*

heels of another reported move that Israel is considering bringing in a large number of Indian workers, too. (Source: Moneycontrol.com)

- (a) What characteristic of labour is highlighted through the above news report? [1]  
(b) Explain any two *advantages* of division of labour. [2]  
(c) What is meant by efficiency of labour? [2]
- (ii) With the help of a Diagram, explain the Increase in Demand. [5]

### Question 9

- (i) Answer the following questions in *short sentences*. [5]
- (a) Swiggy, Rapido, Uber are examples of which *type of market*?
- (b) How do banks mediate between those who have surplus money and those who need money?
- (c) State *one role* of the RBI.
- (d) Give *an example* of Giffen goods and *justify* it.
- (e) GST is an example of which *kind* of tax?
- (ii) (a) Explain how Indirect taxes are those taxes whose burden can be shifted. [2]  
(b) Is Public Expenditure on defence, a Capital expenditure or a Revenue expenditure? [3]

### Question 10

- (i) What is demonetisation? Discuss the objectives of demonetisation and explain how it helps the economy. [5]
- (ii) Differentiate between Cost-push and Demand-pull inflation. [5]

**Section A (40 Marks)**

**Attempt all questions from this section.**

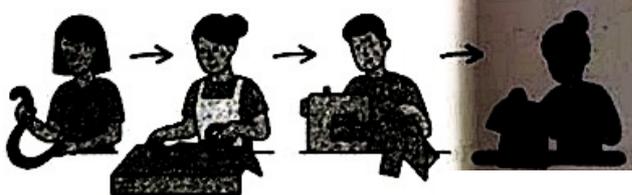
**Question 1: Choose the correct answers to the questions from the given options.**

**[16]**

- i. When the supply of good is perfectly inelastic, the supply curve is \_\_\_\_\_.  
(a) Downward sloping  
(b) Vertical  
(c) Horizontal  
(d) Upward sloping
  
- ii. \_\_\_\_\_ is a characteristic of Land.  
(a) A gift of nature  
(b) Mobile  
(c) Active factor of production  
(d) Temporary
  
- iii. Sneha purchased a herbal face cream that advertised itself as completely chemical-free. After applying it, she experienced severe rashes because the cream contained harmful chemical preservatives. Which consumer right is violated?  
(a) Right to be Heard  
(b) Right to Speak  
(c) Right to Choose  
(d) Right to Safety
  
- iv. \_\_\_\_\_ is an example of capital expenditure.  
(a) Repayment of borrowing  
(b) Interest on national debt  
(c) Salaries paid to government staff  
(d) Pension paid to government employees
  
- v. \_\_\_\_\_ is not a determinant of supply.  
(a) Goals of the Firms  
(b) Consumer Credit Facility  
(c) Number of Producers  
(d) State of Technology
  
- vi. A tax will be \_\_\_\_\_ when the rate of tax increases as the tax base increases.  
(a) Progressive  
(b) Regressive  
(c) Degressive  
(d) Proportional
  
- vii. The rate at which commercial banks borrow from the Central bank is the \_\_\_\_\_.  
(a) Bank rate  
(b) Deposit rate  
(c) Lending rate  
(d) Reverse repo rate

- viii. Identify the incorrect feature of perfect competition market.  
 (a) Very large number of buyers and sellers  
 (b) Homogenous product  
 (c) Free entry and exit of firms  
 (d) Selling costs
- ix. The supply of land is fixed but that of \_\_\_\_\_ is elastic.  
 (a) Labour  
 (b) Entrepreneur  
 (c) Capital  
 (d) Organisation
- x. Biodegradable packaging materials are produced using organic waste. To promote their production, the government decides to raise subsidy on raw materials and reduce GST on these products. In this situation, the supply curve of biodegradable packaging materials in the market \_\_\_\_\_.  
 (a) Shifts rightward  
 (b) Shifts leftward  
 (c) Moves downward  
 (d) Moves upward
- xi. **Assertion(A):** Indirect taxes can be made equitable.  
**Reason (R):** Heavy taxes imposed on luxury goods and low taxes on essential commodities.  
 (a) (A) is true and (R) is false  
 (b) (A) is false and (R) is true  
 (c) Both (A) and (R) are true and (R) is the correct explanation of (A)  
 (d) Both (A) and (R) are true and (R) is not the correct explanation of (A)
- xii. When the government borrows money to build dams, canals for the development of the country, then it is called as \_\_\_\_\_ debt.  
 (a) Productive  
 (b) Unproductive  
 (c) Gross  
 (d) External

- xiii. Observe the image given below and identify the division of labour



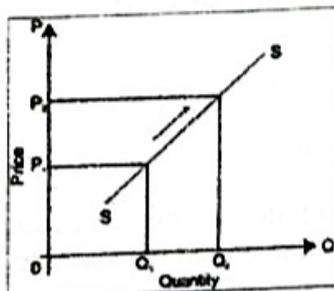
- (a) Simple division of labour  
 (b) Product based division of labour  
 (c) Process based division of labour  
 (d) Territorial division of labour
- xiv. \_\_\_\_\_ is the function of money which allows a person to pay for a commodity at a future date.  
 (a) Unit of account  
 (b) Measure of value  
 (c) Standard of deferred payment  
 (d) Medium of exchange

Identify the type of demand shown in the image below.



- (a) Joint demand
- (b) Competitive demand
- (c) Substitute demand
- (d) Composite demand

xvi. The following image shows \_\_\_\_\_.



- (a) Extension of Supply
- (b) Increase in Supply
- (c) Contraction of Supply
- (d) Decrease in Supply

**Question 2**

- i. Explain the term 'Veblen Effect' with the help of an example. [2]
- ii. A depositor is allowed to withdraw more money than what is there in his account: [2]
  - (a) What is this facility called?
  - (b) In which type of account is it permitted?
- iii. Differentiate between Physical Capital and Financial Capital. [2]
- iv. What effect does lowering taxes on production have on the supply of a commodity? Draw a supply curve in support of your answer. [2]

**Question 3**

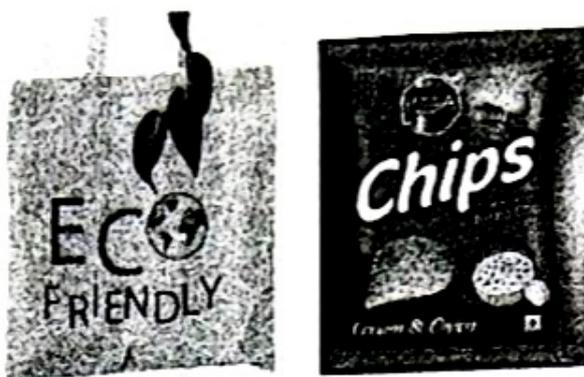
- i. What is complementary demand? Give an example of the same. [2]
- ii. State two differences between Current account and Savings bank account. [2]
- iii. Under which type of market are producers price takers? State two characteristics of that market. [2]
- iv. Explain product-based division of labour with the help of an example. [2]

**Question 4**

- i. How does funded debt differ from unfunded debt? [2]
- ii. What is meant by open market operations? How does it influence money supply in the country? [2]

iii. Distinguish between Progressive tax and Regressive tax.

iv. Identify the Standardisation mark for the commodities shown below.



**Section – B (40 Marks)**

(Attempt any four questions from this Section)

**Question 5**

- i. (a) Define Labour as a factor of production. [5]
- (b) Explain any three functions of an entrepreneur. [5]
- ii. In light of the growing number of consumers in India and the increasing cases of unfair trade practices by sellers, what important duties should consumers fulfill to secure their rights and strengthen consumer awareness? [5]

**Question 6**

- i. Explain any five factors that affect the price elasticity of demand. [5]
- ii. Identify the government body that exercises control over the commercial banks in India and state its main objective. Explain the three selective methods of credit control. [5]

**Question 7**

- i. Identify the type of market depicted in the picture below and explain any four characteristics of the market. [5]



ii. Differentiate between Direct Tax and Indirect Tax.

- i. Define GST. Explain any four objectives of GST. [5]
- ii. Identify and explain the difficulties faced in reference to barter system of exchange for the scenarios mentioned below: [5]
  - (a) Suresh is a potter who makes clay pots and wants to exchange them for wheat. On the other hand, Mohan is a farmer who produces wheat but wants to exchange it for milk, not pots. Barter exchange does not take place.
  - (b) Ramesh is a goat rearer who owns one goat. He wants to exchange it for ten sacks of wheat. However, the wheat seller is willing to give only five sacks of wheat for a goat. Barter exchange does not take place.

**Question 9**

- i. Ravi is a young entrepreneur living in a coastal town. Observing that fishermen faced frequent spoilage of their catch due to lack of proper storage, he invented an affordable ice-preserving box and sold it locally for ₹150 per box. Initially, only a few fishermen bought it. Over time, as more fishermen experienced reduced spoilage and higher profits, the product gained popularity and reputation. Soon, fishermen from nearby towns started visiting Ravi's town to purchase the box, which led to a sharp increase in its market price to ₹200 per box along with a sharp rise in quantity supplied by Ravi.

With reference to the above paragraph. [5]

- (a) Graphically explain the impact of the rise in price on the supply of the box.
- (b) Differentiate between increase in quantity supplied and increase in supply. (any 3 differentiating factors)

- ii. Identify and explain the causes of the type of inflation that emerges when the cost of production rises. [5]

**Question 10**

- i. How are consumers exploited by producers and retailers? [5]
- ii. *'India plans a significant boost in military spending for the upcoming fiscal year. The defence ministry requested a budget increase to address growing security challenges and modernize armed forces.'*

*-The Economic Times*

- (a) Identify the type of expenditure referred above.
- (b) Explain any four reasons for the growth of public expenditure in India. [5]

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## NEW HORIZON INTERNATIONAL SCHOOL THANE

Second Preliminary Examination (AY 2025-26)

Subject: Economics

Name: \_\_\_\_\_

Grade: X

Date: 13/01/2026

**Maximum Marks: 80**

**Time allowed: Two hours**

*Answers to this Paper must be written on the paper provided separately.*

*You will not be allowed to write during the first 15 minutes.*

*This time is to be spent in reading the question paper.*

*The time given at the head of this Paper is the time allowed for writing the answers.*

*Attempt all questions from Section A and any four questions from Section B.*

*The intended marks for questions or parts of questions are given in brackets [ ].*

### SECTION A (40 Marks)

*Attempt all questions from this Section*

#### Question 1

[16]

Choose the correct answers to the questions from the given options:

*(Do not copy the question, write the correct answers only)*

(i) **Assertion (A):** When CRR is increased, credit creation capacity of commercial bank reduces.

**Reasoning (R):** With the increase in reserve ratios, banks have less funds available for giving loans.

(a) Both A and R are true, and R is the correct explanation of A.

(b) Both A and R are true, but R is not the correct explanation of A.

(c) A is true, but R is false.

(d) R is true, but A is false.

(ii) The demand for rice by all the people in your area will be called as a \_\_\_\_\_ demand.

(a) Individual

(b) Social

(c) Market

(d) Society

(iii) The study about the revenue and expenditure of the government is also known as \_\_\_\_\_

- (a) Public revenue
- (b) Public expenditure
- (c) Public debt
- (d) Public finance

(iv) When the rate of inflation is between 10 % - 20% per annum then it is \_\_\_\_\_ stage of inflation

- (a) Running
- (b) Hyper
- (c) Creeping
- (d) Slow

(v) \_\_\_\_\_ is called the lender of the last resort.

- (a) Commercial Bank
- (b) Central Bank
- (c) Canara Bank
- (d) Federal Bank

(vi) During the festival season, the demand for sweets increases even when the price remains the same. What will be the effect on the demand curve of sweets?

- (a) The demand curve will shift towards the left.
- (b) There will be upward movement in the demand curve.
- (c) The demand curve will shift towards the right.
- (d) There will be a downward movement in the demand curve.

**Assertion (A):** Cheap and affordable credit is crucial for the country's development.

**Reason (R):** Cheap credit encourages households to buy more than what they want.

- (a) Both A and R are true, and R is the correct explanation of A.
- (b) Both A and R are true, but R is not the correct explanation of A.
- (c) A is true, but R is false.
- (d) R is true, but A is false.

(viii) Which of the following statements about inferior goods are/is false ?

- i. Inferior goods are those that a consumer intends to buy at any price.
- ii. Inferior goods are those that are bought by the low-income group.
- iii. Inferior goods are those goods that have a direct relationship between income and demand

- (a) i and iii only
- (b) i only
- (c) iii only
- (d) i, ii, iii

(ix) A slight decrease in the price of concert tickets by its promoters leads to a significant increase in demand for tickets. What would be the elasticity of demand for concert tickets?

- (a) Elastic
- (b) Inelastic
- (c) Unit elastic
- (d) Perfectly elastic

(x) What distinguishes an entrepreneur from other factors of production like labour, land, and capital?

- (a) Entrepreneurs are the only factor that requires a physical form.

- (b) Entrepreneurs are the source of manual labour in the production process.
- (c) Entrepreneurs combine the other factors to produce goods and services.
- (d) Entrepreneurs do not require any form of investment.

(xi) The goods alongside denote \_\_\_\_\_

- (a) comfort
- (b) giffen
- (c) necessity
- (d) veblen



(xii) **Assertion (A):** Tax is the primary source of government revenue used to provide services; therefore, those who pay tax should not use government services.

**Reason (R):** Public goods are for the use of the entire population irrespective of whether they pay tax or don't pay tax.

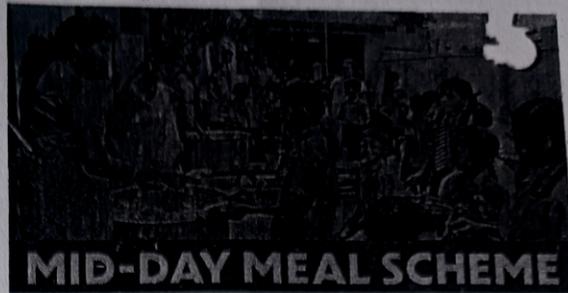
- (a) Both A and R are true, and R is the correct explanation of A.
- (b) Both A and R are true, but R is not the correct explanation of A.
- (c) A is true, but R is false.
- (d) R is true, but A is false.

(xiii) Which of the following scenarios is an example of an increase in supply?

- (a) Consumers are starting to prefer electric cars over gasoline cars.
- (b) The government imposes higher taxes on tobacco.
- (c) Advances in technology make it cheaper and faster to manufacture smartphones.
- (d) A natural disaster reduces the available quantity of raw materials for construction, increasing prices.

With reference to the following image, identify the expenditure incurred by the government for the same.

- (a) Non - recurring
- (b) Capital
- (c) Revenue
- (d) Productive



(xv) Assertion (A): AGMARK is used for industrial goods.

Reason (R): For gold jewellery 'Hallmark' is provided for standardisation.

- (a) Both A and R are true, and R is the correct explanation of A.
- (b) Both A and R are true, but R is not the correct explanation of A.
- (c) A is true, but R is false.
- (d) R is true, but A is false.

(xvi) The factor which does not influence the process of capital formation in an economy is \_\_\_\_\_

- (a) Capital of savings
- (b) Investment of savings
- (c) Creation of savings
- (d) Mobilisation of savings

### Question 2

- (i) Explain the concept of GST? [2]
- (ii) Airlines is an example of which form of market. Explain. [2]
- (iii) Mention *two ways* of consumer exploitation. [2]
- (iv) What is demonetisation? [2]

**Question 3**

- (i) What is COPRA. What is its objective? [2]
- (ii) Explain the legal reserve requirement that the commercial banks are required to maintain. [2]
- (iii) Mention *two reasons* for low efficiency of Indian Labour. [2]
- (iv) Mention *one* secondary function of money. [2]

**Question 4**

- (i) Differentiate direct and indirect taxes. [2]
- (ii) What do you mean by food basket? [2]
- (iii) Distinguish between internal debts and external debts. [2]
- (iv) Explain Revenue expenditure and Capital expenditure. [2]

**SECTION B (40 Marks)**

*Attempt any four questions from this Section*

**Question 5**

- (i) Name the institution which enjoys the monopoly of note issue. Explain the following functions of this institutions: [5]

- (a) Bankers bank
- (b) Banker to the Government

- (ii) What is cost push inflation? Discuss any four causes of cost push inflation. [5]

**Question 6**

- (i) Explain how is elasticity of demand is measured using the percentage method. [5]
- (ii) Identify the type of market the following brands belong to from the below image and writes its features: [5]



**Question 7**

(i) (a) What do you mean by tax.

[5]

(b) Explain one merit and one demerit each of indirect taxes and direct taxes

(ii) Provide the legal definition of money and difficulties of barter system.

[5]

**Question 8**

(i) During a festive sale, the price of a branded sports shoe is reduced from ₹4,000 to ₹3,000. As a result, the quantity demanded of the shoe increases.

A few months later, even though the price remains unchanged, demand for the same brand rises further because of an increase in consumers' income and aggressive advertising.

[5]

(a) In the first situation, identify the type of change in demand and give a reason for your answer.

(b) In the second situation, identify the type of change in demand and state one cause responsible for it.

(c) How does each of the above changes differ in terms of movement of the demand curve?

(ii) What are the factors affecting supply?

[5]

**Question 9**

(i) (a) Define Capital. State its two features

(b) Differentiate between Physical Capital and Financial Capital

[5]

(ii) In a town, several families depend on ration shops to buy rice, wheat, and sugar at subsidised prices.

Recently, consumers noticed that the ration dealer was giving less quantity than prescribed and charging more than the fixed price. At the same time, a customer bought a cooking gas stove without checking for a standardisation mark, which later turned out to be unsafe.

[5]

(a) Which consumer protection measure is being violated by the ration dealer?

(b) Name two technical measures that could have helped the customer avoid purchasing an unsafe product.

(c) Why is it important for consumers to check standardisation marks while purchasing goods?

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**Christ Church School**  
**PRELIMINARY EXAMINATION**  
**ECONOMICS**

STD :10

DATE : 09-01-2026

TIME : 2 hours

MAXIMUM MARKS : 80

NO. OF QUESTIONS : 10

NO. OF PRINTED SIDES : 06

*Answers to this paper must be written on the paper provided separately.  
You will not be allowed to write during the first 15 minutes.*

*This time is to be spent in reading the question paper.*

*The time given at the head of this Paper is the time allowed for writing the answers.*

*Attempt all questions from Section A and any four questions from Section B.  
The intended marks for questions or parts of questions are given in brackets [ ].*

**SECTION A**

**[40 marks]**

**(Answer all the questions from this Section)**

**Question 1:**

**[16]**

Choose the correct answers to the questions from the given options. (Do not copy the question, write the correct answers only.)

- (i) Which of the following situations best illustrates cost-push inflation rather than demand-pull inflation?
- (a) Rising consumer incomes lead to higher spending on goods and services, increasing overall prices.
  - (b) A fall in interest rates encourages greater investment, pushing prices upward.
  - (c) A surge in international oil prices raises production costs across industries, resulting in a general rise in prices despite stagnant demand.
  - (d) Increased government spending boosts aggregate demand and raises the price level.
- (ii) The market structure in which a few large sellers control the entire supply of a product is called:
- (a) Perfect competition
  - (b) Oligopoly
  - (c) Monopoly
  - (d) Monopolistic competition
- (iii) If the government spends on subsidies for fertilizers, the most likely long-term impact is
- (a) Rise in agricultural productivity
  - (b) Decline in food security
  - (c) Decline in farmers' income
  - (d) No effect on production

(v) If the demand for a car is elastic, then the demand for petrol will be \_\_\_\_\_.

- (a) Perfectly Elastic
- (b) Perfectly Inelastic
- (c) Relatively Inelastic
- (d) Relatively Elastic

(v) Public Finance deals with

- (a) The study of production and distribution of private goods.
- (b) The management of money in private corporations.
- (c) The income and expenditure of government and their effect on the economy.
- (d) Only the government's borrowing activities.

(vi) **Assertion (A):** When the price of a commodity falls, the quantity demanded generally increases.

**Reason (R):** Demand for a commodity increases because consumers' income automatically rise whenever prices fall.

- (a) Both A and R is true, and R is the correct explanation of A.
- (b) Both A and R is true, but R is not the correct explanation of A.
- (c) A is true, but R is false.
- (d) A is false, but R is true.

(vii) Study the relationship in the first pair of words and complete the second pair:

Fixed Deposit: Lump-sum Saving

Recurring Deposit: \_\_\_\_\_

- (a) Two-time withdrawal only
- (b) Regular monthly deposits
- (c) High risk and high return
- (d) Current account facility

(viii) If the price of detergent powder goes up then the supply of its substitute detergent cake will \_\_\_\_\_.

- (a) Increase
- (b) Decrease
- (c) Remain constant
- (d) Become positive

(ix) A farmer *exchanges* wheat for money because it helps fix a clear *worth* for his produce.

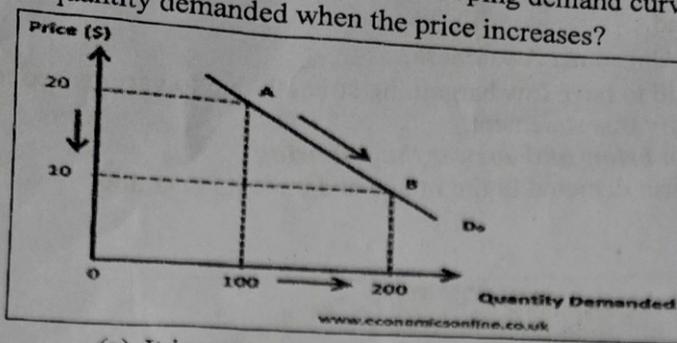
This represents money as a \_\_\_\_\_.

- (a) Medium of Exchange
- (b) Store of Value
- (c) Measure of Value
- (d) Standard of Deferred Payments

(x) Which of the functions of money allows *freedom of choice* to a person who can use money to buy goods of his choice from people who offer him the best bargain?

- (a) Standard of deferred payments
- (b) Store of value
- (c) Measure of value
- (d) Medium of exchange

(xi) The diagram shows a downward-sloping demand curve. Based on the graph, what happens to quantity demanded when the price increases?



- (a) It increases
- (b) It stays constant
- (c) It decreases
- (d) It becomes unstable

(xii) When the percentage change in quantity demanded is *equal* to percentage change in price then it will be symbolised as \_\_\_\_\_.

- (a)  $E_d = 1$
- (b)  $E_d = \infty$
- (c)  $E_d = 0$
- (d)  $E_s \geq 1$

(xiii) Statement 1: The availability of time influences the elasticity of supply; supply tends to be more elastic in the long run than in the short run.

Statement 2: In the long run, producers can adjust their production capacity and resources to respond to price changes.

- (a) Both Statement 1 and Statement 2 are true
- (b) Both Statement 1 and Statement 2 are false
- (c) Statement 1 is true, but Statement 2 is false.
- (d) Statement 1 is false, but Statement 2 is true.

(xiv) Which of the following is a qualitative method used by the Central Bank to control credit?

- (a) Bank Rate
- (b) Cash Reserve Ratio (CRR)
- (c) Open Market Operations (OMO)
- (d) Credit Rationing

(xv) Under \_\_\_\_\_ debt, the government does not create any separate fund to repay the debt.

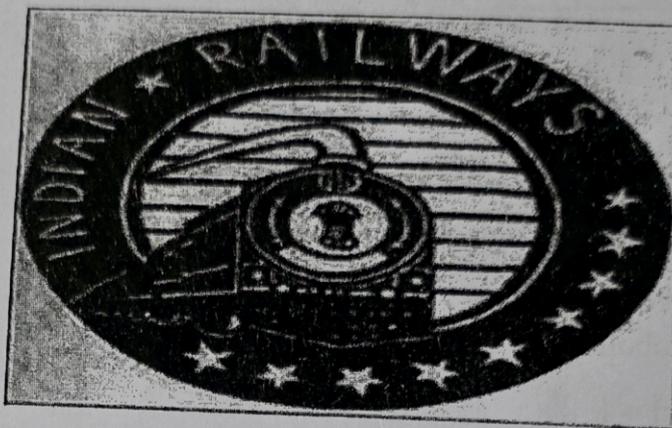
- (a) Productive
- (b) Unproductive
- (c) Funded
- (d) Unfunded

(xvi) The demand for goods and services will increase during boom period.

- (a) False
- (b) True

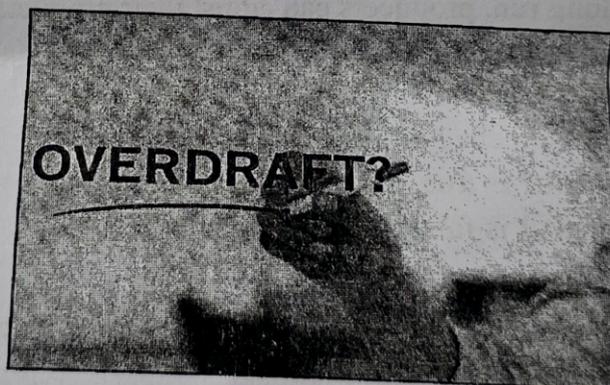
**Question 2:**

- (i) State the Law of Demand. [2]
- (ii) What is the meaning of Consumer Awareness? [2]
- (iii) "Indian labourers are said to have low bargaining strength due to various economic and social factors." Justify this statement. [2]
- (iv) **Observe the image given below and answer the following** [2]
  - a) Identify the market form depicted in the image and state its meaning. [2]



**Question 3:**

- (i) Give any two examples of Commercial Revenue. [2]
- (ii) Why are Land and Capital called as passive factors of production? [2]
- (iii) Give a graphical representation of Perfectly Inelastic Demand. [2]
- (iv) Observe the image and answer the questions: - [2]



- a) Identify whether the facility shown is a borrowing facility or a saving facility.
- b) Which account is commonly used to avail this service?

**Question 4:**

- (i) Define Moral Suasion. [2]
- (ii) Explain the term Decrease in demand. [2]
- (iii) What is a C-C economy? [2]
- (iv) Using the hypothetical data given below, draw a supply curve. [2]

Price (Rs)	Quantity supplied(kgs)
10	5
12	7

## SECTION B

(Attempt any four questions from this Section.)

[40 marks]

Question 5:

- (i) With the help of a graph, explain Contraction of supply. [5]
- (ii) Differentiate between Commercial bank and Central bank (Five points.) [5]

Question 6:

- (i) a) Define land as a factor of production. [5]  
b) Explain any three factors that affect the productivity of land.
- (ii) State the reasons why the efficiency of Indian labourers is regarded as lower than that of labourers in developed countries. [5]

Question 7:

- (i) a) What is the meaning of Demand-Pull Inflation? [5]  
b) Explain any three causes of Demand-Pull Inflation.
- (ii) Mention any five Duties of a Consumer. [5]

Question 8:

- (i) With the help of a diagram, explain Relatively Elastic supply. [5]
- (ii) Explain the Rights of a Consumer as prescribed by the Indian Laws. [5]

Question 9:

- (i) a) Define Demonetisation. [5]  
b) Mention the objectives of demonetisation.
- (ii) What factors affect the supply of a commodity? [5]

Question 10:

- (i) a) Mention the two sources of Public Revenue. [5]  
b) Explain any three merits of Indirect tax.
- (ii) **Read the extract and answer the following questions.** [5]

Rohan hires two labourers to help him load sacks of grain. One labourer works very quickly and completes the task on time, while the other works slowly and takes much longer. Rohan knows that if the labourers do not work on a particular day, he cannot recover the lost work hours later.

After the day's work, Rohan wants to obtain some farming tools from a nearby village. Since he does not have cash, he offers to exchange a few sacks of grain. But the tool seller does not want grain; he needs cooking oil instead. Rohan also finds it difficult to decide how many sacks of grain should equal the value of one tool.

- (i) a) Identify and explain which characteristic of labour is shown when Rohan cannot recover the lost work if the labourers are absent?  
b) Which characteristic of labour is reflected when one labourer works faster while the other works slowly?
- (ii) a) Which difficulty of the barter system is shown when the tool seller does not want grains in exchange?

- b) Which problem is shown when Rohan is unable to decide how many sacks of grain equal the value of one tool?
- c) Explain how divisibility was a problem of the barter system of exchange.

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