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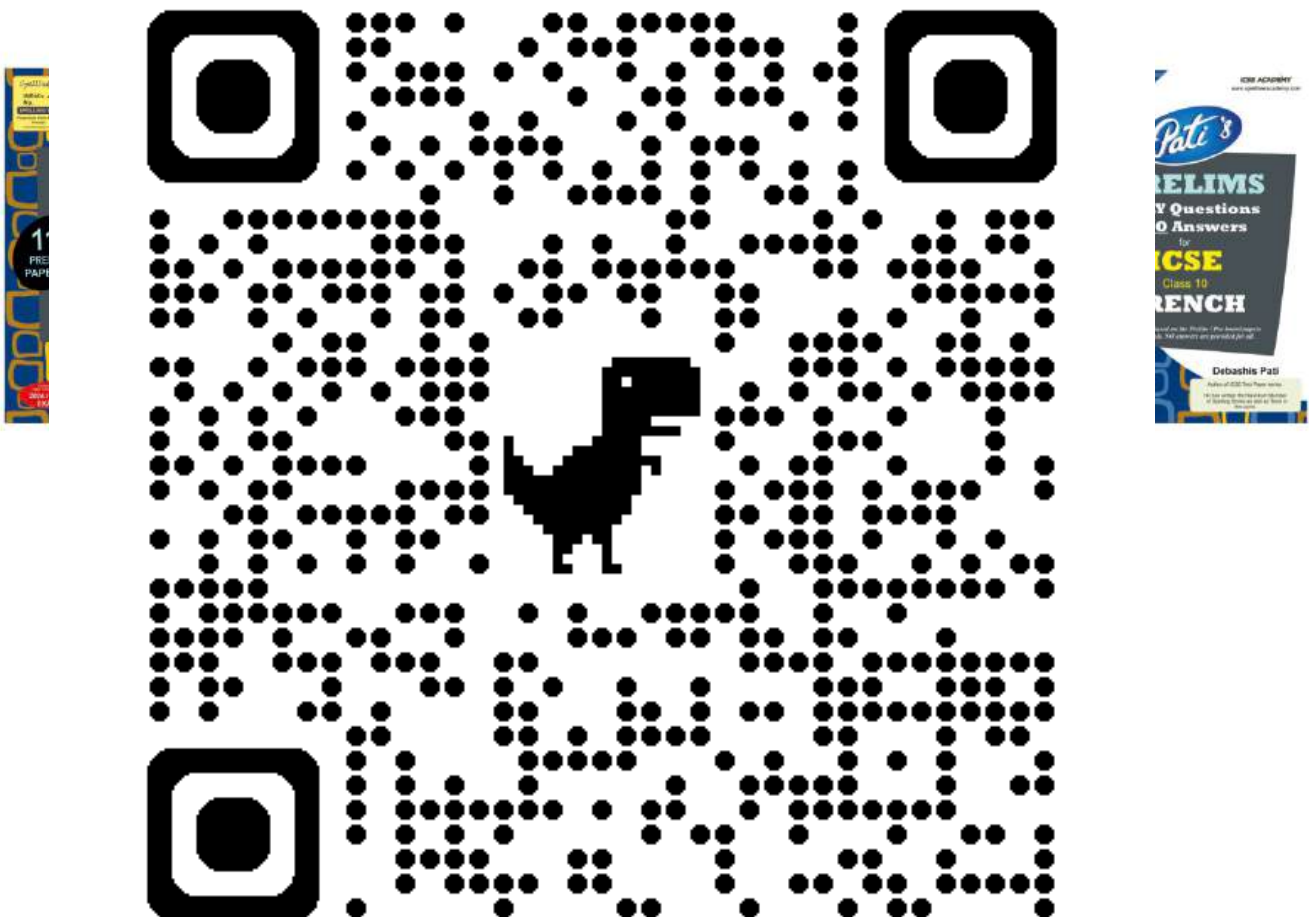
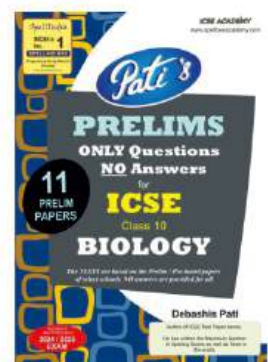
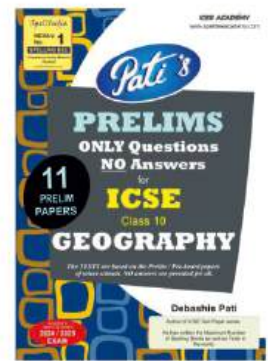
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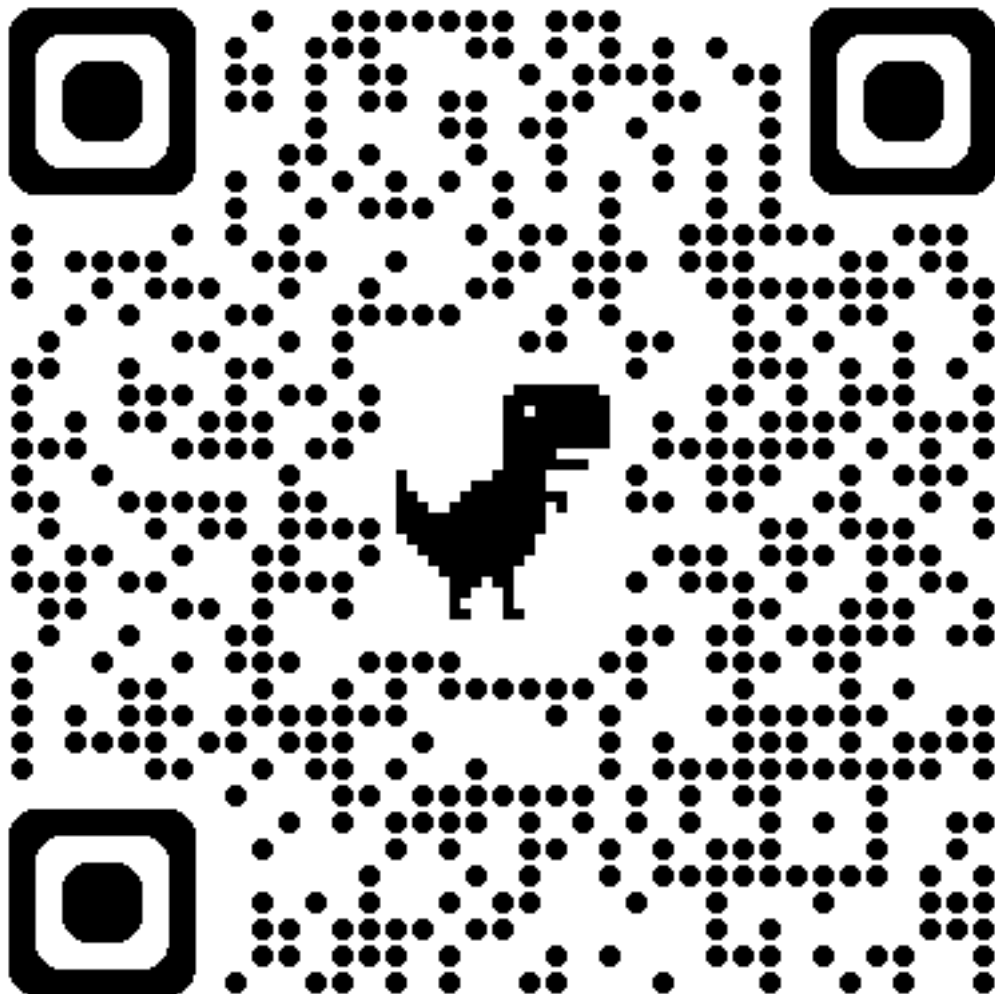
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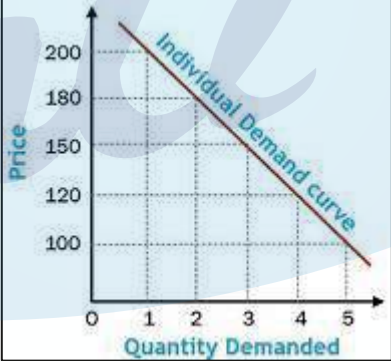
Table of Contents

S.No	Type of Questions	Page No.
I.	Multiple-Choice Questions (MCQs)	2-14
II.	Short Answer Questions	14-19
III.	Long Answer Questions	19-22
	<i>Answer Key</i>	23-28

I: Multiple Choice Questions (MCQ) (1 Mark)

S.No.	Questions															
1.	<p><i>[Market]</i></p> <p>The car industry in India is an example of an oligopoly market and, therefore, lies in between _____ competition and _____.</p> <p>(a) monopolistic, monopoly (b) perfect, monopoly (c) monopsony, duopoly (d) perfect, monopolistic</p> <p style="text-align: right;">[Understanding]</p>															
2.	<p><i>[Banking in India]</i></p> <p>Which activity is correctly linked to the type of deposit that provides interest?</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th>Types of deposit</th> <th>Interest</th> </tr> </thead> <tbody> <tr> <td>(a)</td> <td>Saving</td> <td>High</td> </tr> <tr> <td>(b)</td> <td>Fixed</td> <td>Low</td> </tr> <tr> <td>(c)</td> <td>Current/ Demand</td> <td>Very low</td> </tr> <tr> <td>(d)</td> <td>Recurring</td> <td>High</td> </tr> </tbody> </table> <p style="text-align: right;">[Recall]</p>		Types of deposit	Interest	(a)	Saving	High	(b)	Fixed	Low	(c)	Current/ Demand	Very low	(d)	Recurring	High
	Types of deposit	Interest														
(a)	Saving	High														
(b)	Fixed	Low														
(c)	Current/ Demand	Very low														
(d)	Recurring	High														
3.	<p><i>[Theory of Demand and Supply]</i></p> <p>Assertion (A): Subsidies were needed to encourage startups.</p> <p>Reasoning (R): Any new technology will help in increasing the supply of goods.</p> <p>(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.</p> <p style="text-align: right;">[Analysis]</p>															

S.No.	Questions
4.	<p><i>[Public Finance]</i></p> <p>Assertion (A): Tax is the primary source of government revenue used to provide services; therefore, those who pay tax should not use government services.</p> <p>Reason (R): Public goods are for the use of the entire population irrespective of whether they pay tax or don't pay it</p> <p>(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.</p> <p style="text-align: right;">[Analysis]</p>
5.	<p><i>[Banking in India]</i></p> <p>Statement 1: The currency notes of denomination ₹500 and ₹100 were banned as legal tender money on 8th November 2016.</p> <p>Statement 2: Demonetization channelised the savings of individuals into the formal financial system</p> <p>(a) Both statements are true. (b) Both Statements are false (c) Statement 1 is true, but Statement 2 is false. (d) Statement 1 is false, but Statement 2 is true.</p> <p style="text-align: right;">[Analysis]</p>
6.	<p><i>[Public Finance]</i></p> <p>Assertion (A): The expenditure done by the government on various Schemes like 'PM Cares', 'Beti Bachao, Beti Padhao' are examples of revenue expenditure.</p> <p>Reason (R): It is the expenditure that neither creates assets nor reduces the liabilities of the government.</p> <p>(a) Both A and R are true, and R is the correct explanation of A. (b) Both A and R are false, 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.</p> <p style="text-align: right;">[Analysis]</p>
7.	<p><i>[Public Finance]</i></p> <p>Statement 1: GST was introduced to simplify and unify the direct tax systems of the country.</p> <p>Statement 2: It is expected that GST will reduce the overall tax burden of producers.</p> <p>(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.</p> <p style="text-align: right;">[Analysis]</p>

S.No.	Questions															
8.	<p><i>[Market]</i></p> <p>Which row shows an essential characteristic of competitive markets and monopoly markets?</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th>Competitive Market</th> <th>Monopoly Market</th> </tr> </thead> <tbody> <tr> <td>(a)</td> <td>Many buyers</td> <td>Single seller</td> </tr> <tr> <td>(b)</td> <td>Many sellers</td> <td>Single buyer</td> </tr> <tr> <td>(c)</td> <td>Single buyer</td> <td>Many buyers</td> </tr> <tr> <td>(d)</td> <td>Single seller</td> <td>Many sellers</td> </tr> </tbody> </table> <p style="text-align: right;">[Analysis]</p>		Competitive Market	Monopoly Market	(a)	Many buyers	Single seller	(b)	Many sellers	Single buyer	(c)	Single buyer	Many buyers	(d)	Single seller	Many sellers
	Competitive Market	Monopoly Market														
(a)	Many buyers	Single seller														
(b)	Many sellers	Single buyer														
(c)	Single buyer	Many buyers														
(d)	Single seller	Many sellers														
9.	<p><i>[Inflation]</i></p> <p>Creeping inflation is _____.</p> <p>(a) a sudden and severe increase in the price level over a short period. (b) a gradual and steady rise in the general price level. (c) a temporary decrease in the price level due to deflationary pressures. (d) an unpredictable fluctuation in the price level caused by external shocks.</p> <p style="text-align: right;">[Recall]</p>															
10.	<p><i>[Theory of Demand and Supply]</i></p> <div style="text-align: center;">  </div> <p>The above diagram shows a _____ relationship between demand and price</p> <p>(a) positive (b) negative (c) direct (d) inverse</p> <p style="text-align: right;">[Analysis]</p>															

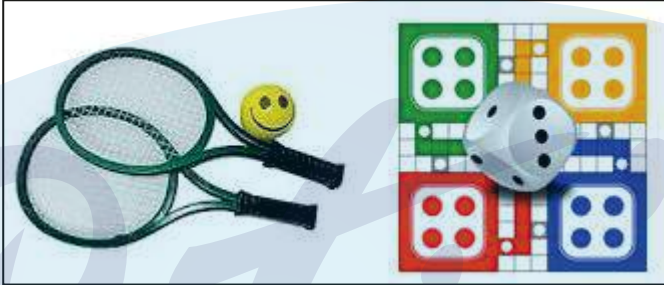
S.No.	Questions
11.	<p><i>[Consumer Awareness]</i></p> <p>Under COPRA, a _____ quasi-judicial machinery was set up for the redressal of consumer disputes.</p> <p>(a) two-tier (b) three-tier (c) four-tier (d) five-tier.</p> <p style="text-align: right;">[Evaluate]</p>
12.	<p><i>[Consumer Awareness]</i></p> <p>Assertion (A): It is the responsibility of the consumer to buy only standardised goods as they provide quality assurance.</p> <p>Reason (R): The consumers have certain responsibilities to follow and should keep a few things in mind while purchasing goods and services.</p> <p>(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.</p> <p style="text-align: right;">[Evaluate]</p>
13.	<p><i>[Consumer Awareness]</i></p> <p>Which of the following is <i>NOT</i> mentioned under COPRA (1986) as a right of the consumer?</p> <p>(a) Right to Consumer Education. (b) Right to be informed about the quality and purity of the goods sold. (c) Right to seek redressal against unfair trade practices and unscrupulous exploitation of consumers. (d) Right to get branded goods at a low price in the nearby shop.</p> <p style="text-align: right;">[Application]</p>
14.	<p><i>[Banking in India]</i></p> <p>Identify the <i>incorrect</i> statement about the function of the Central Bank.</p> <p>(a) It acts as a banker to the government. (b) It is the custodian of the foreign exchange reserves of the economy. (c) It has no role in the money supply of the country. (d) It issues the currency of the country.</p> <p style="text-align: right;">[Application]</p>

S.No.	Questions
15.	<p><i>[Central Bank]</i></p> <p>Which of the following was one of the objectives of demonetisation in 2016?</p> <p>(a) To give new notes to the people of India. (b) To reduce and prevent the circulation of black money in the market. (c) To increase the interest rate. (d) To increase the value of currency.</p> <p style="text-align: right;">[Recall]</p>
16.	<p><i>[Banking in India]</i></p> <p>Mr Rao is in the habit of saving money in various financial institutions for future prospects. Which function of money is most closely linked to his savings?</p> <p>(a) Medium of exchange. (b) Store of value. (c) Measure of value. (d) Unit of account.</p> <p style="text-align: right;">[Application]</p>
17.	<p><i>[Public Finance]</i></p> <p>Statement 1: The loan used for constructing dams like Bhakra Nagal is productive for the government.</p> <p>Statement 2: The loan used for such projects is income to the Government.</p> <p>(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.</p> <p style="text-align: right;">[Analysis]</p>
18.	<p><i>[Public Finance]</i></p> <p>Suppose India follows a system that results from the combination of progressive and proportional taxation.</p> <p>Which system best describes India's taxation system for the collection of income tax?</p> <p>(a) Direct taxation (b) Indirect taxation (c) Regressive taxation (d) Digressive taxation</p> <p style="text-align: right;">[Analysis]</p>

S.No.	Questions
19.	<p><i>[Public Finance]</i></p> <p>Which of these is a type of public debt in which the government pays regular interest but does not refund the principal amount for the duration of the loan?</p> <p>(a) Funded debt (b) Unfunded debt (c) Redeemable debt (d) Irredeemable debt</p> <p style="text-align: right;">[Understanding]</p>
20.	<p><i>[Consumer Awareness]</i></p> <p>_____ is a certification mark to set a standard aimed at least impact on the environment.</p> <p>(a) AGMARK (b) ISI (c) ECOMARK (d) BIS</p> <p style="text-align: right;">[Recall]</p>
21.	<p><i>[Theory of Demand and Supply]</i></p> <p>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.</p> <p>(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.</p> <p style="text-align: right;">[Analysis]</p>
22.	<p><i>[Public Finance]</i></p> <p>Statement 1: The expenditure on elections incurred by the government is a significant aspect of the democratic process in India.</p> <p>Statement 2: The growth of democracy in India has led to an increase in public expenditure.</p> <p>(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.</p> <p style="text-align: right;">[Analysis]</p>


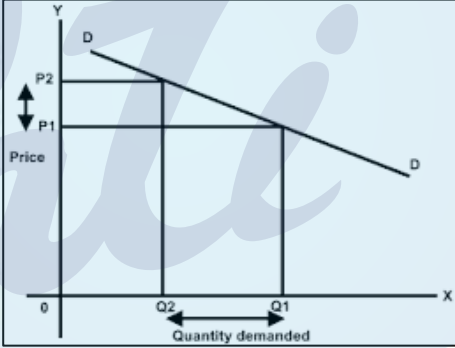
S.No.	Questions
23.	<p><i>[Theory of Demand and Supply]</i></p> <p>The decrease in the supply of newspapers can be attributed to several factors, excluding which of the following?</p> <p>(a) An increase in the price of paper used. (b) A decrease in the number of newspaper publishers. (c) A decrease in the price of the newspaper. (d) An increase in the future expected price of the newspaper. [Understanding]</p>
24.	<p><i>[The Productive Mechanism]</i></p> <p>Which of the following is NOT a characteristic of capital as a factor of production?</p> <p>(a) It is a derived means of production. (b) It is a result of past savings. (c) It is an active factor of production. (d) It is subject to Depreciation. [Understanding]</p>
25.	<p><i>[Theory of Demand and Supply]</i></p> <p>Which of the following statements about inferior goods are/is false?</p> <p>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.</p> <p>(a) i and iii only (b) i only (c) iii only (d) i, ii and iii [Understanding]</p>
26.	<p><i>[The Productive Mechanism]</i></p> <p>What distinguishes an entrepreneur from other factors of production like labour, land, and capital?</p> <p>(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. [Analysis]</p>


S.No.	Questions
27.	<p><i>[Theory of Demand and Supply]</i></p> <p>If the demand for petrol is inelastic, and the price of petrol increases, which of the following is likely to occur?</p> <p>(a) Quantity demanded will fall by a relatively small amount. (b) Quantity demanded will fall by a relatively large amount. (c) Quantity demanded will not change at all. (d) Quantity demanded will change infinitely.</p> <p style="text-align: right;">[Understanding]</p>
28.	<p><i>[Theory of Demand and Supply]</i></p> <p>Which of the following scenarios is an example of an increase in supply?</p> <p>(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.</p> <p style="text-align: right;">[Analysis]</p>
29.	<p><i>[Theory of Demand and Supply]</i></p> <p>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?</p> <p>(a) Elastic (b) Inelastic (c) Unit elastic (d) Perfectly elastic</p> <p style="text-align: right;">[Analysis]</p>
30.	<p><i>[Theory of Demand and Supply]</i></p> <p>Assertion(A): The knowledge of price elasticity of demand is important for governments while determining the prices of goods and services such as transport and telecommunication.</p> <p>Reason (R): To raise more revenue, the government imposes more indirect taxes on those goods that have relatively inelastic demand such as alcohol and tobacco.</p> <p>(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.</p> <p style="text-align: right;">[Analysis]</p>

S.No.	Questions
31.	<p><i>[Theory of Demand and Supply]</i></p> <p>Assertion (A): With the rise in the price of corn and soya beans, the farmer will shift their production to corn and soya beans.</p> <p>Reason (R): The law of supply states there is a direct relationship between the price and supply of a good.</p> <p>(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.</p> <p style="text-align: right;">[Analysis]</p>
32.	<p><i>[Theory of Demand and Supply]</i></p> <div style="text-align: center;">  </div> <p>The above two images can be identified as _____ type of demand.</p> <p>(a) substitute goods (b) inferior goods (c) complementary goods (d) derived goods</p> <p style="text-align: right;">[Analysis]</p>
33.	<p><i>[The Productive Mechanism]</i></p> <p>The factor which does not influence the process of capital formation in an economy is _____</p> <p>(a) capital of savings. (b) investment of savings. (c) creation of savings. (d) mobilisation of savings.</p> <p style="text-align: right;">[Analysis]</p>


S.No.	Questions
34.	<p><i>[Public Finance]</i></p> <p>When Mr. X, Y, and Z experience a yearly increase in their tax base but the tax rate remains the same, then such a scenario reflects which type of taxation system?</p> <p>(a) Progressive (b) Degrressive (c) Regressive (d) Proportional</p> <p style="text-align: right;">[Application]</p>
35.	<p><i>[Inflation]</i></p> <p>An inflation caused by an enhanced wage of labour is _____</p> <p>(a) demand-pull inflation. (b) cost-push inflation. (c) Hyperinflation. (d) galloping inflation.</p> <p style="text-align: right;">[Understanding]</p>
36.	<p><i>[Public Finance]</i></p> <p>People try to evade direct tax because:</p> <p>(a) direct tax is not popular. (b) the burden of direct tax cannot be shifted. (c) the burden of direct tax is felt directly. (d) directly tax has broad coverage.</p> <p style="text-align: right;">[Understanding]</p>
37.	<p><i>[Inflation]</i></p> <p>A farmer's _____ basket consists of specified food items of daily individual consumption.</p> <p>(a) exchange (b) consumption (c) distribution (d) food</p> <p style="text-align: right;">[Understanding]</p>
38.	<p><i>[Market]</i></p> <p>Under _____, each firm produces a considerable proportion of the total output.</p> <p>(a) perfect competition (b) monopoly (c) monopolistic competition (d) oligopoly</p> <p style="text-align: right;">[Understanding]</p>

S.No.	Questions
39.	<p><i>[Market]</i></p> <p>_____ products refer to those products which are identical in shape, size and quality.</p> <p>(a) Heterogeneous (b) Homogeneous (c) Assorted (d) Diversified</p> <p style="text-align: right;">[Recall]</p>
40.	<p><i>[Public Finance]</i></p> <p>With reference to the following image, identify the expenditure incurred by the government for the same.</p> <div data-bbox="625 808 1082 1039" style="text-align: center;">  </div> <p>(a) Non-recurring (b) Capital (c) Revenue (d) Productive</p> <p style="text-align: right;">[Understanding]</p>
41.	<p><i>[Market]</i></p> <p>Identify the market form of the following image.</p> <div data-bbox="625 1346 1082 1576" style="text-align: center;">  </div> <p>(a) Monopolistic (b) Duopoly (c) Monopsony (d) Monopoly</p> <p style="text-align: right;">[Analysis]</p>

S.No.	Questions
<p>42.</p>	<p><i>[Consumer Awareness]</i></p> <p>The following standardisation mark is used on which of the following goods?</p> <div data-bbox="671 445 1035 786" style="text-align: center;">  </div> <p>(a) Cement, tiles (b) Milk products (c) Grapeseed oil (d) Leather</p> <p style="text-align: right;">[Analysis]</p>
<p>43.</p>	<p><i>[Theory of Demand and Supply]</i></p> <div data-bbox="625 1055 1082 1402" style="text-align: center;">  </div> <p>The above image shows the demand for luxury goods like air-conditioners. Identify the type of demand.</p> <p>(a) Relatively Elastic (b) Relatively Inelastic (c) Unit Elastic (d) Perfectly inelastic</p> <p style="text-align: right;">[Application]</p>

S.No.	Questions
44.	<p><i>[Theory of Demand and Supply]</i></p> <div style="text-align: center;">  </div> <p>The above goods denote _____.</p> <p>(a) comfort (b) giffen (c) necessity (d) veblen</p> <p style="text-align: right;">[Analysis]</p>

II: Short Answer Questions (2 Mark)

S.No.	Questions
45.	<p><i>[Banking in India]</i></p> <p>In a world beyond money, how does the barter system facilitate the exchange of goods and services? Explain the store of value function of money. [Understanding & Analysis]</p>
46.	<p><i>[Banking in India]</i></p> <div style="text-align: center;">  </div> <p>The above picture represents a CC economy. Discuss any 2 problems faced during the barter system of exchange.</p> <p style="text-align: right;">[Recall & Understanding]</p>

S.No.	Questions
47.	<p><i>[Banking in India]</i></p> <p>The primary function of commercial banks is to accept deposits from the public. Observe the following picture and explain any two types of deposits illustrated in it.</p> <div data-bbox="603 479 1104 739" data-label="Image"> </div> <p style="text-align: right;">[Analysis]</p>
48.	<p><i>[Public Finance]</i></p> <p>“Economic recession and global health crisis have surged the public debt levels across nations to an unsustainable level. Debt can be productive, provided nation-states utilise it for rapid growth and servicing the cost of loans. It can be unproductive if spent on wasteful expenditure.”</p> <p>(Source: https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8857894/)</p> <p>Considering the surge in public debt levels due to economic recessions and global health crises, what specific factors contribute to the escalation of public expenditure in response to such events?</p> <p style="text-align: right;">[Analysis]</p>
49.	<p><i>[Public Finance]</i></p> <p>India's military spending in 2021 has been ranked the third largest in the world. Amid the nation's push to strengthen the indigenous arms industry, the government earmarked 64 per cent of capital outlays in the military budget of 2021 for acquisitions of domestically produced arms.</p> <p>(Source: https://www.jagranjosh.com/current-affairs/india-third-largest-military-spender-in-2021-after-us-china-1650876328-1)</p> <p>(a) Why is there a need for defence expenditure in India in recent times? (b) Expenditure on war related goods will be classified as which type of expenditure.</p> <p style="text-align: right;">[Application]</p>

S.No.	Questions
50.	<p><i>[Public Finance]</i></p> <p>“Investments in infrastructure and Productive capacity have a large multiplier impact on growth and employment”, said the Union Minister for Finance and Corporate Affairs, Smt. Nirmala Sitharaman in Parliament today while presenting the Union Budget 2023-24.</p> <p>(Source: https://pib.gov.in/PressReleasePage.aspx?PRID=1895279)</p> <p>In light of the above statement, discuss the type of expenditure needed for the growth of the economy. [Analysis]</p>
51.	<p><i>[Theory of Demand and Supply]</i></p> <p>The image given below represents different factors affecting demand. Analyse the impact of these factors on the demand curve for normal goods.</p> <div data-bbox="523 853 1198 1294" style="text-align: center;"> <p>Income of the buyers Consumer trends Expectations of future price</p> <p>The price of related goods The number of potential buyers</p> <p>the balance</p> <p>PHOTO: TH BALANCE / MADDY PRICE</p> </div> <p style="text-align: right;">[Analysis]</p>
52.	<p><i>[Theory of Demand and Supply]</i></p> <div data-bbox="568 1451 1026 1868" style="text-align: center;"> </div> <p>Identify the movement of the supply curve as per the direction given by an arrow in the above graph and mention one factor responsible for the same. [Analysis]</p>

S.No.	Questions
53.	<p><i>[Market]</i></p> <p>How does product differentiation in a monopolistic competition market allow firms to have some control over their prices, unlike in perfect competition?</p> <p style="text-align: right;">[Understanding & Analysis]</p>
54.	<p><i>[Banking in India]</i></p> <p>The household savings rate in India has hit a five-decade low in 2022-23, according to the Reserve Bank of India. Deputy Governor Michael Patra explained that the decline is due to increased spending after pandemic-related restrictions were lifted, as well as an increase in liabilities, particularly in the form of home loans.</p> <p><i>(Source: https://economictimes.indiatimes.com/news/economy/indicators/post-pandemic-spends-dragged-household-savings-in-fy23-rate-climbing-up-now-rbi/articleshow/104216266.cms?from=mdr)</i></p> <p>Discuss the potential types of deposits that will increase savings habits in the country.</p> <p style="text-align: right;">[Understanding]</p>
55.	<p><i>[Inflation]</i></p> <p>Inflation discourages the inflow of foreign capital into the country. Comment.</p> <p style="text-align: right;">[Analysis]</p>
56.	<p><i>[Banking in India]</i></p> <p>RBI provides a convenient and economical device for settling interbank claims. Elaborate.</p> <p style="text-align: right;">[Recall & Understanding]</p>
57.	<p><i>[Banking in India]</i></p> <p>Suppose Mr Shahi wants to save a lump sum amount of money and earn high interest on it.</p> <p>(a) In which type of account should he deposit his money? (b) State any one feature of this deposit account other than the rate of interest.</p> <p style="text-align: right;">[Understanding]</p>
58.	<p><i>[Consumer Awareness]</i></p> <p>Anita bought a pack of brown bread, but later, she realised that it had expired. What duties should Anita have exercised before buying the product?</p> <p style="text-align: right;">[Recall & Understanding]</p>


S.No.	Questions
59.	<p><i>[Public Finance]</i></p> <p>Although indirect taxes are regressive in nature, they help in protecting domestic industries.</p> <p>Throw light on the above statement. [Understanding]</p>
60.	<p><i>[Theory of Demand and Supply]</i></p> <p>If a buyer buys less of a commodity when his income falls, how will his demand curve for commodities be affected? [Understanding]</p>
61.	<p><i>[Banking in India]</i></p> <p>How can money be easily exchanged for goods or services? Give an example for the same. [Understanding]</p>
62.	<p><i>[Theory of Demand and Supply]</i></p> <p>A fast-food chain introduces a new plant-based sandwich option to its menu in response to growing consumer demand for vegetarian and vegan alternatives. Analyse the potential impact of this new product on the demand for traditional meat-based burgers. [Analysis]</p>
63.	<p><i>[The Productive Mechanism]</i></p> <p>The availability of appropriate financial products and institutions is a necessary precondition for the mobilisation of savings.</p> <p>Discuss how the mobilisation of savings will help in the investment of savings. [Understanding & Analysis]</p>
64.	<p><i>[Theory of Demand and Supply]</i></p> <p>Reena used to spend half of her income on clothing. Later, if Reena's preference changes and she decides to spend only one-fourth of her income on clothing, how will her demand curve change? [Application]</p>
65.	<p><i>[The Productive Mechanism]</i></p> <p>In economics, the services of a housewife are not treated as labour, while those of maidservants are treated as labour. Justify the statement. [Understanding]</p>
66.	<p><i>[Theory of Demand and Supply]</i></p> <p>Why do commodities such as salt, housing and vegetables have highly inelastic demand curves, whereas toilet soaps and toothpaste have elastic demand? [Analysis]</p>


S.No.	Questions
67.	<p><i>[Theory of Demand and Supply]</i></p> <p>Using hypothetical scenarios, construct a schedule depicting the relationship between demand and price for a specific product or service. [Create]</p>
68.	<p><i>[Banking in India]</i></p> <p>How does the Central Bank's decision to adjust the Cash Reserve Ratio (CRR) during periods of inflation impact the economy? [Understanding]</p>
69.	<p><i>[Public Finance]</i></p> <p>Who typically bears the initial burden of indirect taxes, and which party ultimately shoulders the main responsibility for these tax burdens? Provide one reason to support your answer. [Recall & Understanding]</p>
70.	<p><i>[Consumer Awareness]</i></p> <p>Identify the consumer right that is being violated when a company utilises sub-standard electric wiring in its coolers. Justify with a valid reason. [Analysis]</p>

III: Long Answer Questions (5 Marks)

S.No.	Questions
71.	<p><i>[Consumer Awareness]</i></p> <p>What negative impacts does inflation have on production processes? [Recall & Understanding]</p>
72.	<p><i>[Theory of Demand and Supply]</i></p> <p>Imagine a scenario where a local bakery increases the price of its speciality cupcakes from Rs. 20 to Rs. 30 per piece, but the customers continue to buy relatively the same amount despite the price hike.</p> <p>(a) Identify and explain the degree of price elasticity of demand discussed in the above example.</p> <p>(b) Explain any three factors determining price elasticity of demand. [Analysis]</p>

S.No.	Questions
73.	<p><i>[Theory of Demand and Supply]</i></p> <p>A list of goods is given below. For each of these, state whether the price elasticity of demand is inelastic or elastic. Give reasons to support your answer.</p> <p>(a) Demand for school uniforms. (b) Demand for refrigerators. (c) Demand for electricity. (d) Demand for salt at household level. (e) Demand for newspapers.</p> <p style="text-align: right;">[Understanding & Analysis]</p>
74.	<p><i>[Banking in India]</i></p> <p>(a) Which government body exercises control over the commercial banks of the country in India? (b) Explain any two functions of the government body mentioned.</p> <p style="text-align: right;">[Recall & Understanding]</p>
75.	<p><i>[Banking in India]</i></p> <p>The word ‘credit’ has been derived from the Latin word ‘<i>credo</i>’, which means ‘I believe’. Credit is the exchange of goods in the present for payment in the future.</p> <p>In the light of the above statement, answer the following questions</p> <p>(a) Which drawback of the barter system of exchange does it refer to? (b) Classify any two types of deposits given by the commercial banks that will help in the creation of credit.</p> <p style="text-align: right;">[Analysis]</p>
76.	<p><i>[The Productive Mechanism]</i></p> <p>The retail sector has experienced significant transformation due to technological advancements, particularly with the introduction of self-checkout systems. These systems allow customers to scan, bag their purchases, and pay without the need for a cashier.</p> <p>(a) Identify the type of capital used in the retail shop. (b) Explain the first two stages of capital formation.</p> <p style="text-align: right;">[Application]</p>

S.No.	Questions
77.	<p><i>[The Productive Mechanism]</i></p>  <p>The image shows a modern kitchen with chefs and kitchen staff preparing food. It also shows advanced cooking equipment and technology for food preparation.</p> <p>(a) Which factor is responsible for engaging factors for production in a restaurant? (b) What strategies can entrepreneurs employ to effectively coordinate and supervise each factor of production?</p> <p style="text-align: right;">[Understanding & Analysis]</p>
78.	<p><i>[Theory of Demand and Supply]</i></p> <p>William is an innovator, and he lives in a small village. Concerned about the infertile soil and dying plants in his village, he invented a new pesticide and introduced it to the local market for Rs.2 per bottle. Slowly, when people started to discover its benefits, it became a prestigious product in his village. Soon, people from other villages visited the local market of William's village to buy the product, which eventually caused a big rise in price. (Source : WallStreetMojo)</p> <p>With reference to the above paragraph.</p> <p>(a) Graphically explain the impact of the rise in price on the supply of pesticide bottles. (b) Explain the relationship between price and supply of a good.</p> <p style="text-align: right;">[Create & Understanding]</p>
79.	<p><i>[The Productive Mechanism]</i></p> <p>Division of labour contributes to economic efficiency and reflects broader trends in globalisation, international trade and the global distribution of work.</p> <p>What role does the division of labour play in fostering interdependence among individuals, organisations, and nations? How does this interconnectedness contribute to societal progress and collaboration?</p> <p style="text-align: right;">[Understanding & Analysis]</p>

S.No.	Questions
80.	<p data-bbox="284 327 507 360"><i>[Public Finance]</i></p> <div data-bbox="563 394 1031 651" style="text-align: center;">  </div> <p data-bbox="284 656 1086 689">Examine the above image and answer the following questions</p> <ol data-bbox="300 707 1278 824" style="list-style-type: none"> Classify and explain the type of expenditure on the above infrastructure. Which type of revenue is the government generating from the image? Mention any one example related to the above (b). <p data-bbox="1241 790 1426 824" style="text-align: right;">[Application]</p>



Answer Key

S.No.	Expected Answer
1.	(a) monopolistic, monopoly
2.	(d) Recurring: High
3.	(b) Both A and R are true, but R is not a correct explanation of A.
4.	(d) R is true, but A is false.
5.	(a) Both statements are true.
6.	(c) A is true, but R is false.
7.	(a) Both Statement 1 and Statement 2 are true.
8.	(a) Many buyers, single seller
9.	(b) a gradual and steady rise in the general price level.
10.	(d) inverse
11.	(b) three-tier
12.	(a) Both A and R are true, and R is the correct explanation of A.
13.	(d) Right to get branded goods at a low price in the nearby shop.
14.	(c) It has no role in the money supply of the country.
15.	(b) To reduce and prevent the circulation of black money in the market.
16.	(b) Store of value.
17.	(a) Both Statements 1 & Statement 2 are true.
18.	(d) Digressive taxation
19.	(d) Irredeemable debt
20.	(c) ECOMARK

S.No.	Expected Answer
21.	(b) Both A and R are true, but R is not the correct explanation of A.
22.	(a) Both Statement 1 and Statement 2 are true.
23.	(c) A decrease in the price of the newspaper.
24.	(c) It is an active factor of production.
25.	(d) i, ii, and iii
26.	(c) Entrepreneurs combine the other factors to produce goods and services.
27.	(a) Quantity demanded will fall by a relatively small amount.
28.	(c) Advances in technology make it cheaper and faster to manufacture smartphones.
29.	(a) Elastic
30.	(b) Both A and B are true, but R is not the correct explanation of A
31.	(a) Both A and R are true, and R is the correct explanation of A
32.	(c) complementary goods
33.	(a) capital of savings
34.	(d) Proportional
35.	(b) cost-push inflation.
36.	(c) the burden of direct tax is felt directly.
37.	(d) food
38.	(d) oligopoly
39.	(b) Homogeneous
40.	(c) Revenue
41.	(d) Monopoly
42.	(a) Cement, tiles

S.No.	Expected Answer
43.	(a) Relatively elastic
44.	(d) veblen
45.	The barter system facilitates exchange through one commodity in terms of another commodity. Money helps to store wealth in the form of assets.
46.	<p><i>Any two of these:</i></p> <ul style="list-style-type: none"> • Lack of double coincidence of wants. • Lack of common measure of value • Lack of divisibility
47.	Saving/Fixed/Recurring (<i>Explain any two</i>)
48.	Social Security measures, social services.
49.	(a) Due to the constant threat from foreign aggression, there is a need to scale up the defence expenditure. (b) Revenue expenditure
50.	Capital Expenditure. It is non-recurring & developmental also.
51.	Change in demand. It will cause either an increase in demand or a decrease in demand.
52.	Increase in supply. Advanced technology.
53.	Adding special features to the product offers customers a better choice and this helps the producers to have some control over their prices, unlike in perfect competition, where we have homogeneous products.
54.	Saving, Recurring and fixed deposits (<i>Explain any 2</i>)

S.No.	Expected Answer
55.	(Any two) <ul style="list-style-type: none"> • Reduce purchasing power • Interest rate pressure • Impact on profit margin • Withdrawal of capital • Interest rate pressure • Uncertainty
56.	Clearing house function of Central Bank. <i>(Expand on the same)</i>
57.	(a) Fixed deposit (b) Non-chequable, Fixed period of time
58.	She should have checked for the expiry date and brought it to the notice of the bread seller.
59.	By imposing import duties, the government can protect any industry against foreign competition. By doing so imported commodities will come at a higher price in comparison to domestic goods.
60.	When a consumer's income falls, the demand for normal goods decreases. This is graphically represented by a leftward shift of the demand curve. Therefore, at any price level, the quantity demanded is lower due to the decrease in income.
61.	Medium of Exchange Open-ended example.
62.	Decrease in demand due to unfavourable changes in tastes and preferences.
63.	To have capital formation, investment is needed. Banks mobilise the household sector savings to the producer sector for investment purposes.
64.	If Reena decides to spend only one-fourth of her income on clothing, this will imply a decreased preference. This reduced spending on clothing at any price level will cause the entire demand curve to shift to the left i.e., a leftward shift of the demand curve.
65.	The work of maidservants involves a market transaction. They are paid for their services, and their income contributes to the GDP. Housewives primarily within the household and their work doesn't involve a direct market exchange. Their services, while valuable, are not traded for money, making them part of the non-market economy.

S.No.	Expected Answer									
66.	The inelastic demand for salt, housing, and vegetables is due to these goods being essential items/necessities and having no close substitutes. The elastic demand for toilet soaps and toothpaste is because these are considered non-essential goods which have availability of substitutes.									
67.	<table border="1"> <thead> <tr> <th></th> <th>Price(Rs)</th> <th>Qty dd(Kgs)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>10</td> <td>5</td> </tr> <tr> <td>2</td> <td>8</td> <td>7</td> </tr> </tbody> </table>		Price(Rs)	Qty dd(Kgs)	1	10	5	2	8	7
	Price(Rs)	Qty dd(Kgs)								
1	10	5								
2	8	7								
68.	During inflation the Central bank will increase the CRR and control the flow of credit in the economy.									
69.	Producer or Consumers. Indirect taxes can be shifted.									
70.	Right to safety. Consumers have the right to be protected against the marketing of goods and services which are hazardous to life and property.									
71.	(a) Misallocation of resources (b) Reduction in savings (c) Discourages foreign capital (d) Fall in quality (e) Hoarding									
72.	(a) Inelastic (b) (Any three of these) <ul style="list-style-type: none"> • Nature of the commodity • Availability of Substitutes • Number of uses • Possibility of Postponement 									
73.	(a) Inelastic- Necessities (b) Elastic - Durable / can be postponed (c) Elastic- Multiple uses (d) Inelastic-No close substitute (e) Inelastic- Necessity									

S.No.	Expected Answer
74.	<p>(a) Central Bank</p> <p>(b) Two functions:</p> <ol style="list-style-type: none"> formulating and implementing monetary policy. overseeing the functioning of commercial banks and setting up rules and regulations for banks. <p>(Any other relevant point)</p>
75.	<p>(a) Lack of standard of deferred payment</p> <p>(b) Demand deposit Fixed deposit. (Give a brief explanation of each)</p>
76.	<p>(a) Fixed capital</p> <p>(b) (i) Creation of savings (ii) Mobilisation of savings</p>
77.	<p>(a) Entrepreneur</p> <p>(b) Coordination & Supervision function of an entrepreneur.</p>
78.	<p>(a) Expansion of supply</p> <div style="text-align: center;"> </div> <p>(b) Positive relation between supply and price</p>
79.	<p>(a) Innovation</p> <p>(b) Cooperation among workers</p> <p>(c) Less cost of production</p> <p>(d) Advantages to the society (Employment opportunities, good quality goods)</p>
80.	<p>(a) Capital Expenditure</p> <p>(b) Commercial Revenue</p> <p>(c) Postage/Railway fares/Irrigation charges, etc (anyone)</p>

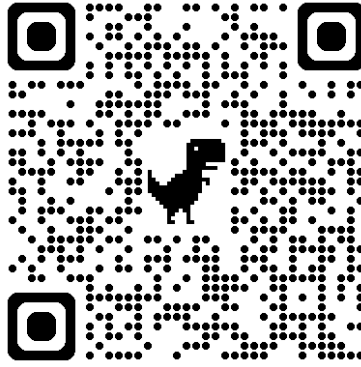


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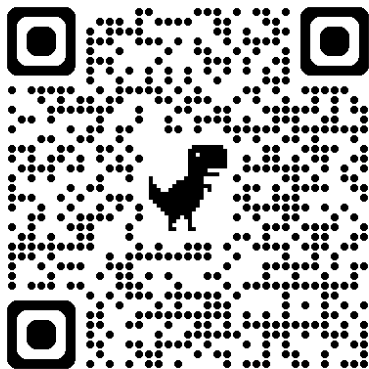
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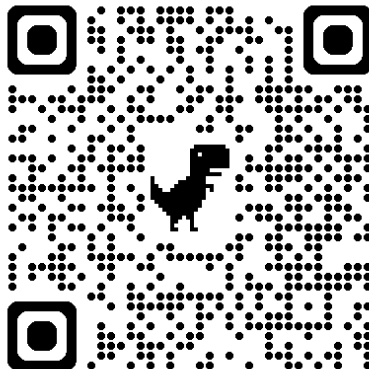
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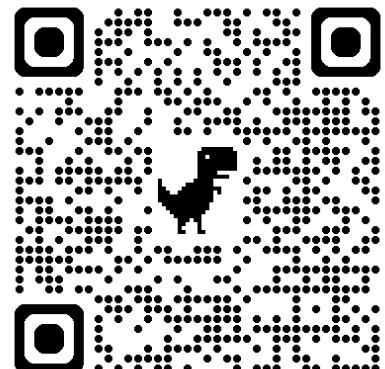
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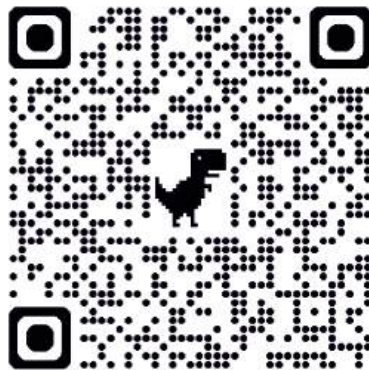
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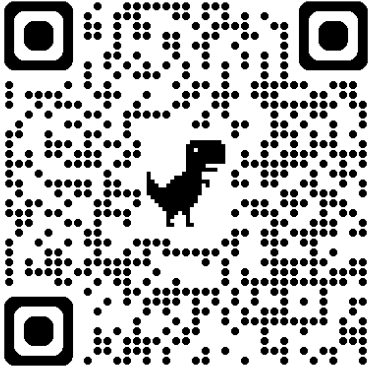
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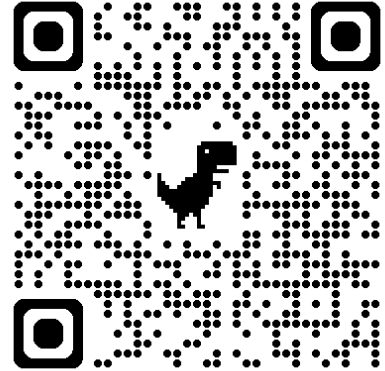
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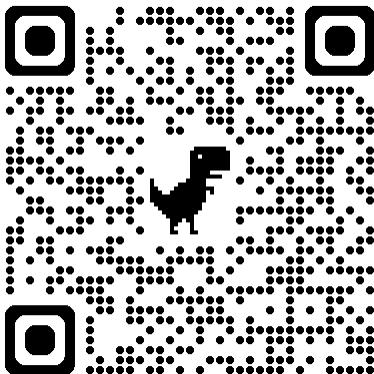
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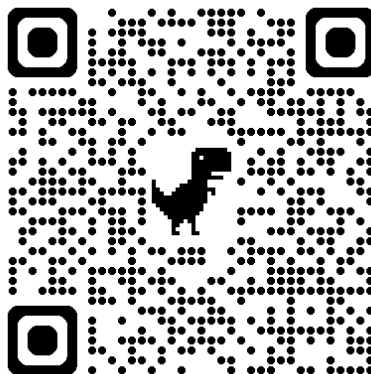
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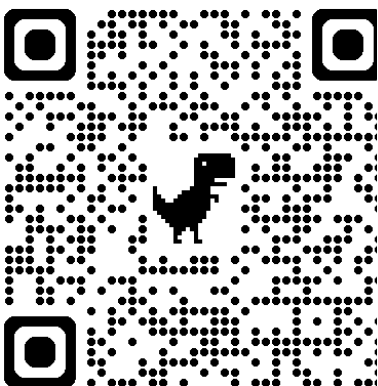
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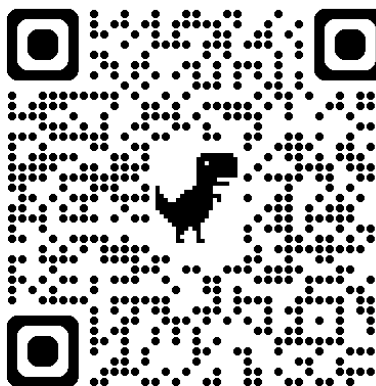
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