

Section - I

- 1) (d) Samuelson
- 2) (b) Socialism
- 3) (c) 1844
- 4) (a) Hicks & Dalton
- 5) (b) Vertical
- 6) (c) Short period
- 7) (c) Marshall
- 8) (b) potential price - actual price
- 9) (b) Risks
- 10) (a) Extent of market
- 11) (b) Marginal Revenue
- 12) (b) Perfect competition
- 13) (c) Capital
- 14) (c) Opportunity cost
- 15) (b) Marshall
- 16) (a) $\frac{\Delta S}{\Delta Y}$
- 17) (a) Aggregate Demand
- 18) (b) Subsidies
- 19) (b) Canon of economy
- 20) (d) None of these

Section - II

21. Definition of Lionel Robbins - 2 marks
22. Economic System \leftarrow meaning - 2 marks

23. Law of diminishing marginal utility. Definition - 2 marks.

24. 1. Percentage method
2. Point method or slope method
3. Total outlay method
4. Arc method
- each point - $\frac{1}{2}$ mark

25. Market period - meaning - 2 marks
change in supply is limited

26. Iso-cost line - meaning - 2 marks
Choosing the right combination of factors for production

27. When $\Delta MC < AC$, AC is falling
When $\Delta MC > AC$, AC is rising
MC curve must cut the AC curve at AC's minimum point from below. Thus at the minimum point of AC, MC is \rightarrow AC - 2 marks

28. Causes of monopoly

1. Natural
2. Technical
3. Legal
4. Large Amount of capital
5. State

Any 4 points
Award 2 marks

29. Normal profit - meaning
Super normal profit - meaning
When $AR > AC$

each 1 Mark

30. Zero based budget

1. Every year is considered as new year
 2. Past performance & programs are not taken into account
- Each point carries one mark

(3)
Section - III

31. Features of Traditional Economy
 Meaning } - Award 3 Marks
 Features }
-
32. Importance of law of equi-marginal utility
 3 points - Award 3 marks
-
33. Diagram for consumer's equilibrium - Award 3 marks
-
34. Short period vs long period
 Any appropriate 3 points - Award 3 marks
-
35. Opportunity Cost - Definition - 3 marks
-
36. Features of perfect competition. - 3 marks
 Any three points with brief explanation
-
37. Dynamic Theory of profit
 Meanings - 3 marks
 Explanation
-
38. Veblen effect - 3 marks
 Goods demanded by very rich people for their social prestige.
 when prices rise, they purchase more
 Eg. Diamonds
-
39. Assumptions of marginal productivity theory of distribution
 Three points - 3 marks
-
40. Marginal Efficiency of Capital - 3 marks
 Supply mix of capital prospective yield from capital

Section - IV

41. (a) Lionel Robbins's definition of economics - 1 mark
 Assumptions - 4 points - 2 marks
 Explanation & Criticism } - 2 marks
-

(b) Relationship between economics and other social sciences

- Economics & sociology
 Economics & politics
 Economics & History
 Economics & psychology
 Economics, mathematics & statistics
 - with brief explanation } 5 marks
-

42. (a) Advantages & Disadvantages of monopoly
 Any three advantages } with Explanation
 Two disadvantages } - 5 marks
-

(b) Merits & Demerits of socialist economy
 Merits - 3 points } with brief explanation
 Demerits - 2 points }

43. (a) Importance of law of diminishing marginal utility
 4 points - Award 5 marks
-

(b) Elasticity of supply
 Five types - 2 1/2 marks
 Diagram - 2 1/2 marks

(5)

44. (a) Long run average cost curve

Meaning - 1 mark

Two diagrams - 2 marks

Explanation - 2 marks

(b) Factors determining Supply - 5 marks

Any five factors with explanation

45. (a) Liquidity preference theory of Interest

Meaning - 1 mark

Three motives with brief explanation - 4 marks

(b) Flowchart of Keynes theory - 5 marks

46. (a) Internal economies of scale

1. Technical
2. Financial
3. Managerial
4. Labour
5. Marketing
6. Survival

Any 5 points with explanation
Award 5 marks

(b) Monetary Transmission

Meaning - 1 mark

Diagram - 2 marks

Explanation - 2 marks

(6)

41. (a) Relationship between AR & MR

Constant AR and MR

Table
Diagram
with explanation

2 1/2 marks

Downward sloping AR & MR

Table
Diagram
with explanation

2 1/2 marks

(b) Direct taxes vs Indirect taxes

Any 5 points of differences - 5 marks

Handling Teachers

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