

ICSE Board
Class X Economics
Board Paper – 2014

Time: 2 hrs

Total Marks: 80

General Instructions:

1. *Answers to this paper must be written on the paper provided separately.*
 2. *You will **not** be allowed to write during the first **15** minutes.
This time is to be spent in reading the question paper.*
 3. *The time given at the head of the paper is the time allotted for writing the answers.*
 4. *Attempt **all** questions from **Section A** and **any four** questions from **Section B**.*
 5. *The intended marks of questions or parts of questions are given in brackets [].*
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SECTION A (40 Marks)

*Attempt **all** questions from this section.*

Question 1

State whether the following statements are true or false. Give reasons.

- a) Briefly explain two methods that increase land productivity. [2]
- b) What is meant by price elasticity of demand? [2]
- c) Distinguish between sunk capital and floating capital. [2]
- d) Give two reasons for consumer exploitation in India. [2]
- e) Distinguish between an entrepreneur and an organiser. [2]

Question 2

- a) State two factors affecting the market demand of a commodity. [2]
- b) Mention two factors that determine the supply of labour. [2]
- c) What is meant by demand pull inflation? [2]
- d) Progressive taxation is suitable for the Indian economy. Give reasons to support your answer. [2]
- e) Distinguish between a tax and a fee. [2]

Question 3

- a) Give two reasons for an increase in public expenditure in recent times. [2]
- b) Distinguish between limited legal tender and unlimited legal tender. [2]
- c) Define simple division of labour. [2]
- d) Give the full form of COPRA. How does it benefit consumers? [2]
- e) Discuss any two contingent functions of money. [2]

Question 4

- a) Explain the function of the central bank as a 'Banker' to the government. [2]
- b) Mention any two sources of external debt. [2]
- c) State two differences between tax on income and tax on commodity. [2]
- d) Draw a supply curve. [2]
- e) Briefly explain any one exception to the law of demand. [2]

SECTION II (40 Marks)

*Attempt **any four** questions from this section.*

Question 5

- a) Define land. Explain four characteristics of land as a factor of production. [5]
- b) Define efficiency of labour. Explain four factors that influence the efficiency of labour. [5]

Question 6

- a) Define capital formation. Explain three important stages of capital formation. [5]
- b) Draw a demand curve with the help of a hypothetical individual demand schedule. [5]

Question 7

- a) Define supply. Explain three reasons for the rightward shift of the supply curve. [5]
- b) Define public debt. Explain four types of public debt. [5]

Question 8

- a) Define a commercial bank. How do commercial banks mobilise deposits from the public. [5]
- b) Explain five advantages of division of labour. [5]

Question 9

- a) Define inflation. Explain four causes of inflation. [5]
- b) What is meant by quantitative credit control? [5]

Question 10

- a) Explain five ways in which consumers are exploited in India. [5]
- b) With the help of suitable diagrams explain the following degree of elasticity of supply. [5]
 - $E_p = \infty$
 - $E_p > 1$