

**PREVIOUS QUESTIONS AND ANSWERS
ECONOMICS (318)**

Q 1 – 5 are multiple choice questions carrying 1 mark each.

1. In a situation of excess supply of commodities?

a) Its price starts rising b) its demand and price starts falling c) its price starts falling and its demand starts rising d) its demand and supply both starts falling (1)

Ans) Demand and Price starts falling (October 2022)

2. Fiscal Policy is the economic policy of ?

a) Post Offices b) Central Government c) Central Bank of the country d) Commercial Banks (1)

Ans) Central Government (April 2022)

3. Which of the following is a Capital Receipt?

Recovery of Loans b) Disinvestment c) All of the above Borrowings (1)

Ans) All of the above Borrowings (October 2022)

The shape of perfectly inelastic supply curve is

Parallel to X axis b) Upward Sloping Straight Line c) Parallel to Y axis d) Downward Sloping Straight Line. (1)

Ans) Parallel to Y axis (April 2021)

Sum of Deviations from mean =

One b) Zero c) mean itself d) None of the above (1)

Ans) Zero (April 2022)

Q 6 – 10 are Fill in the blanks carrying 1 mark each

6) Mode of data 1,1,2,2,5,3,4,4 is ----- (1)

Ans) 1,2,4 (October 2022)

7) Technological ----- leads to growth of the resources. (1)

Ans) Improvement (April 2022)

8) The Law of Demand states that other things remaining equal, the quantity demanded of a commodity ----- when its price falls and decreases when its price ----- (1)

Ans) Increases, Rises (October 2023)

9) Marginal Cost is the ----- cost incurred on additional unit of output. (1)

Ans) Additional (April 2023)

10) Demand Curve under monopolistic competition is ----- Sloping (1)

Ans) Downward (October 2022)

Q 11- 14 are Very Short Answer Questions carrying 2 mark each

11) Explain any two determinants of propensity to consume?

Ans. •Rate of interest

•Distribution of income

12) Explain any two main problems of barter system of exchange?

Ans

lack of division of goods

lack of common units of measurement

13) Explain the circular flow of income?

Ans: People make transactions between different sectors of the economy. Because of this transactions income and expenditure move in circular form. This is called circular flow of income.

14) what do you mean by Nominal GDP ?

Ans. When the money value of goods and services included in GDP is estimated on the prices of current year it is called GDP at current prices or nominal GDP.

Q 15 &16 are Long Answer Questions carries 4 marks each

15) State the properties of coefficient of correlation?

Ans:

The correlation coefficient 'r' lies between -1 to +1

The correlation coefficient 'r' is the pure number and is independent of the units of measurement of the variables

The correlation coefficient 'r' is independent of change of origin

The correlation coefficient 'r' is independent of change of scale.

16) Name three types of measures of central tendency?

Ans.

Mean

median

mode

Q 17 is Very Long Answer Question carries 6 mark.

17) Calculate the Median of weekly expenditure from the following data

Weekly expenditure in Rs	0-10	10-20	20-30	30-40	40-50
No of families	14	23	27	21	15

Ans)

Weekly expenditure in(Rs)	No of families (f)	Cumulative Frequency (c.f)
0-10	14	14
10-20	23	37
20-30	27	64
30-40	21	85
40-50	15	100

Ascertain $(N/2)$ th item = $(100/2)$ th item= 50 th item lies in class interval as 20- 30.

Thus the Median Class 20-30

Now applying the formula of median

Median = $l_1 + \frac{N/2 - c.f}{f} \times h$

Median= $20 + \frac{50-37}{27} \times 10 = \text{Rs. } 24.815$

