

ICSE Board
Class X Economics
Board Paper – 2013

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) State two advantages of opening a bank account. [2]
- b) What is the difference between impact of taxation and incidence of taxation? [2]
- c) Define cost-push inflation. State two factors causing it. [2]
- d) The bus fare between two cities is reduced. How will this affect the demand curve for bus travel between the two cities? [2]
- e) Distinguish between real capital and debt capital with the help of suitable examples. [2]

Question 2

- a) State Distinguish between simple division of labour and complex division of labour? [2]
- b) What is meant by expenditure tax? Give an example. [2]
- c) How does money solve the problem of lack a common measure of value that existed under the barter system? [2]
- d) How does the nature of a good affect its elasticity of demand? [2]
- e) Mention two agency function of a Commercial bank. [2]

Question 3

- a) Mention two causes of low efficiency of labour in India. [2]
- b) Mention any two forms of consumer exploitation. [2]
- c) Define public debt. [2]
- d) Indirect taxes are regressive in nature. How can they be made progressive? [2]
- e) Distinguish between demand deposits and fixed deposits. [2]

Question 4

- a) Indicate the degree of elasticity of a supply curve parallel to the X-axis. [2]
- b) Distinguish between creeping inflation and running inflation. [2]
- c) How does money act as standard of deferred payment? [2]
- d) Briefly explain the importance of public expenditure in the industrial development of developing countries. [2]
- e) Distinguish between statutory liquidity ratio and cash reserve ratio. [2]

SECTION II (40 Marks)

Attempt **any four** questions from this section

Question 5

- a) What is meant by increase in demand? Discuss any four factors affecting price elasticity of demand. [5]
- b) Define land. Explain the importance of land as a factor of production. [5]

Question 6

- a) Define supply. State the law of supply and explain it with the help of a diagram. [5]
- b) Define a consumer. Explain the importance of educating consumers of their rights. [5]

Question 7

- a) Name the institution that enjoys the monopoly of note issue in India. Briefly explain two qualitative methods of credit control adopted by this institution. [5]
- b) Define labour. Explain four important characteristic features of labour. [5]

Question 8

- a) What is meant by food adulteration? Give an example. Mention two harmful effects of food adulteration. Name any one measure formulated to prevent the problem of food adulteration in India. [5]
- b) Explain two methods adopted by Commercial banks to advance loans to the general public. [5]

Question 9

- a) Why is the income of an entrepreneur residual in nature? Discuss any three functions of an entrepreneur. [5]
- b) Distinguish between:
 - (i) Voluntary debt and compulsory debt. (ii) Regressive tax and degressive tax [5]

Question 10

- a) Define a tax. Explain briefly two merits and two demerits of direct taxes. [5]
- b) What is inflation? Discuss the effects of inflation on:
 - (i) Fixed income groups (ii) Producers. [5]