

ICSE 2024 EXAMINATION ECONOMICS Sample Question Paper Maximum Marks: 80

Time allowed: Two hours

Answers to this Paper must be written on the paper provided separately.

You will not be allowed to write during the first 15 minutes.

This time is to be spent in reading the question paper.

The time given at the head of this Paper is the time allowed for writing the answers.

Attempt all questions from Section A and any four questions from Section B.

The intended marks for questions or parts of questions are given in brackets [].

SECTION A

(Attempt all questions from this Section.)

Question 1

[16]

Choose the correct answers to the questions from the given options.

(Do not copy the question, write the correct answers only.)

1) A garbage truck driver is an example of which Factor of Production?

- a) Land
- b) Labour
- c) Entrepreneurship
- d) Capital

2) Law of demand shows a relationship between the _____.

- a) Quantity demand and quantity supply of a commodity
- b) Income and quantity demand of a commodity
- c) Price and quantity of a commodity
- d) Income and price of a commodity
- 3) In a particular year, the farmers experienced dry weather. If all other factors remain the same, the supply curve of wheat for farmers will shift to the _____ direction.

- a) Downward
- b) Rightward
- c) Leftward
- d) None of the above

4) SLR stands for_____

- a) Statutory Limit Rationing
- b) Standard Liquid Requirement
- c) Statutory Liquidity Ratio
- d) Standard Limit Rationing

5) Which of the following statements about the demand curve of a firm under monopoly is true?

a) The demand curve of a firm under monopoly has a positive relationship between demand and price.

b) The demand curve of a firm under monopoly has an inverse relationship between demand and

price.

c) The demand curve of a firm under monopoly has no relationship between demand and price

d) None of the above.

6) In the case of Monopsony market_____

- a) There exists only one buyer in the market
- b) There exists only one seller in the market
- c) There exists multiple buyer in the market
- d) There exists multiple seller in the market

7) Which of the following concepts is the opposite of inflation?

- a) Deflation
- b) Stagflation
- c) Recession
- d) None of the above

8) If too much money is chasing too few goods, the resulting inflation is known as ______.

- a. Stagflation
- b. Cost-push inflation
- c. Demand-pull inflation
- d. None of the above

9) Repo Rate means?

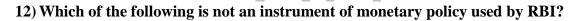
- a) Rate offered by banks to their premium customers.
- b) Rate at which RBI offers loan facilities to commercial banks against government securities, with the condition that banks need to repurchase the securities in a short period.
- c) Banks having excess cash can buy securities from RBI with a condition of reselling securities to RBI on a prefixed day and price.
- d) Banks can discount bills of exchange and avail loan from RBI at times when cash is needed.

10) Increase in cash reserve ratio (CRR) by the RBI will result in:

- a) Initially increase the supply but later on decrease automatically.
- b) No impact on the supply of money in the economy
- c) Decrease the supply of money in the economy
- d) Increase the supply of money in the economy

11) What is not a function of the RBI?

- a) Printing of currency
- b) Controller of credit
- c) Issuance of coins
- d) Custodian of foreign currency



- a) SLR
- b) Open Market Operation
- c) CRR
- d) Bond

13) Regressive tax is the one in which the tax rate_____

- a) Decreases as the amount subject to taxation increases
- b) Increases as the amount subject to taxation decreases
- c) Remains static
- d) At first increases then decreases

14) Imperfect knowledge is a characteristic feature of

a) Perfect competition and monopoly

- b) Monopsony and perfect competition
- c) Monopoly and monopolistic competition
- d) Monopolistic competition and perfect competition

15) Which of these is not a function of an entrepreneur

- a) Innovation
- b) Risk taking
- c) Delegation
- d) Having good inter personal skills

16) An extension of supply curve of product X occurs when

- a) The price of the product increases
- b) The price of its input increases
- c) The price of the product decreases
- d) The price of its substitute decreases

Question 2

- 1) What is overdraft facility? [2]
- 2) Indirect taxes are regressive in nature. How can they be made progressive? [2]
- 3) What is a Proportional tax? [2]
- 4) Explain briefly the impact of cost of production on elasticity of supply. [2]

Question 3

- 1) What are normal goods? Give two examples. [2]
- 2) A businessman stocks potatoes in the cold storage during the winter and releases that stock during summer. Will this be considered as production? Give a reason for your answer. [2]
- 3) Briefly explain any two merits of direct taxes. [2]
- 4) Give two differences between recurring deposits and fixed deposits. [2]

Question 4

- 1) Why do small farmers suffer during inflation? [2]
- 2) With help of an example explain the term complementary goods. [2]
- 3) Differentiate between creeping and running inflation. [2]
- 4) What does the term 'nationalization of banks' mean? [2]

SECTION B

(Attempt any four questions from this Section.)

Question 5

- 1) Define and draw the following: [5]
 - a) Relatively elastic supply
 - b) Relatively inelastic demand
- 2) Briefly discuss any two quantitative measures adopted by the Reserve Bank of India to control credit.

[5]

Question 6

- 1) a) What is selling cost? [5]
 - b) Discuss any three differences between monopoly and monopolistic competition.
- 2) Discuss the risk bearing and decision-making functions of an entrepreneur. [5]

Question 7

- 1) a) Define Fiscal policy. [5]
 - b) Discuss four of its objectives with reference to India?
- 2) Explain the reasons of cost push inflation. [5]

Question 8

- 1) a) What do you mean by contraction of supply? [5]
 - b) Explain with example "complementary goods".
- It is the only factor looking for profit maximization. Identify the factor and states its four roles in production. [5]

Question 9

- 1) Give five differences between direct taxes and indirect taxes. [5]
- 2) Explain the following functions of the Central Bank [5]
 - a) Banker of the government
 - b) Lender of the last resort

Question 10

- 1) a) What is meant by the term demand pull inflation ? [5]
 - b) Discuss any three causes of demand pull inflation.
- 2) Discuss RBI's quantitative measures of monetary policy. [5]

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