



**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

**12) Which of the following is not an instrument of monetary policy used by RBI?**

- 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".
- 2) 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]

ZIEL