

ICSE Board
Class X Economics
Sample Paper - 2

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

- a) What is price elasticity of demand and income elasticity of demand? [2]
- b) How is supply different from stock? [2]
- c) Differentiate between a tax on income and a tax on commodity. [2]
- d) State any two ways in which consumers are exploited in an economy. [2]
- e) What are the functions of the central bank? [2]

Question 2

- a) What is the difference between income effect and substitution effect? [2]
- b) What is meant by supply curve? How to derive the market supply curve from individual supply curves? [2]
- c) Mention any two important sources of tax revenue of the Central Government. [2]
- d) What are the two primary functions of money? Give the meaning of each. [2]
- e) What is qualitative or selective credit control? [2]

Question 3

- a) Define bandwagon effect. [2]
- b) What is public revenue? State two sources of government income. [2]
- c) Mention any two sources of non-tax revenue of the Central Government. [2]
- d) Define demand-pull inflation. [2]
- e) Why is the central bank referred to as the lender of the last resort? [2]

Question 4

- a) Define public finance. [2]
- b) What are the differences between tax and subsidy? [2]
- c) What is meant by progressive tax? Give example. [2]
- d) What is meant by deflation? [2]
- e) Mention any two ways the deflationary condition can change by the qualitative methods of credit control. [2]

SECTION B (40 Marks)

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

Question 5

- a) List the common business malpractices which prevail in the market. [5]
- b) What is cash reserve ratio? Explain its role in credit control. [5]

Question 6

- a) Define inflation. Explain any three types of inflation in an economy. [5]
- b) Distinguish between a direct and indirect tax. Discuss their relative merits and demerits. [5]

Question 7

- a) Explain the fiscal measures to control inflation. [5]
- b) What is public debt? Discuss the role of public debt in India. [5]

Question 8

- a) Discuss the positive and negative aspects of the policy of privatisation of commercial banks. [5]
- b) What are the differences between public and private debt? [5]

Question 9

- a) Calculate the market demand for a good. In a market, there are 20 consumers of a good and the demand of each individual consumer is similar as given below: [5]

Price	Demand of each consumer
10	18
8	20
4	24
2	28

- b) Explain the price elasticity of demand. [5]

Question 10

- a) What is the total expenditure method? Explain the three possible situations in the total expenditure method. [5]
- b) Explain the demand for a good in relation to price of the substitute good with diagrams. [5]