

ICSE Board
Class X Economics
Sample Paper - 3

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 [].*

SECTION A (40 Marks)

*Attempt **all** questions from this section.*

Question 1

- a) Calculate an imaginary demand schedule for an individual consumer which is paradoxical to the law of demand. [2]
- b) Give any two determinants of supply. [2]
- c) Differentiate between a tax on income and a tax on commodity. [2]
- d) Which section of society gains the most due to inflation? [2]
- e) What are the differences between demand deposit and fixed deposit? [2]

Question 2

- a) Draw a straight line demand curve and show the point at which the price elasticity of demand > 1 and the price elasticity of demand < 1 . [2]
- b) What is meant by law of supply? Give one exception to the law of supply. [2]
- c) Differentiate between productive and unproductive public expenditure. [2]
- d) What effect does inflation have on income distribution in a society? [2]
- e) What is a central bank? [2]

Question 3

- a) Give any two factors which can lead to [2]
 - i. a rightward shift of the demand curve for a commodity
 - ii. a leftward shift of the demand curve for a commodity
- b) How does technological progress influence the supply of a particular good? [2]
- c) What is meant by debt trap? [2]
- d) Explain the effect of inflation on fixed income groups and borrowers. [2]
- e) What is meant by bank rate? [2]

Question 4

- a) What are normal goods? [2]
- b) What is the effect on the supply of a good when the government imposes a tax on the production of that good? [2]
- c) Explain the types of tax represented in slabs 3 and 4 from the given table: [2]
 - i. Up to Rs 1,00,000 = No tax
 - ii. Rs 1,00,001 to Rs 1,50,000 = 10%
 - iii. Rs 1,50,001 to Rs 2,50,000 = 20%
 - iv. Above Rs 2,50,000 = 30%
- d) Briefly discuss the function of RBI as a banker to the bank. [2]
- e) Mention any two primary functions of a commercial bank. [2]

SECTION B (40 Marks)

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

Question 5

- a) What are the different stages in the evolution of money? [5]
- b) List any four duties of consumers. [5]

Question 6

- a) Explain any five causes of inflation. [5]
- b) Explain the role of a commercial bank in credit creation. Give any two limitations of the commercial bank to create credit. [5]

Question 7

- a) Define cost-push inflation. What are the factors which cause cost-push inflation and demand-pull inflation? [5]
- b) Discuss the role of public expenditure in developing countries. [5]

Question 8

- a) Explain three functions of a central bank. [5]
- b) What are the different types of public debt? Explain any three public debts. [5]

Question 9

- a) Define public finance. Give any four differences between public and private finance. [5]
- b) What are the reasons for slow rate of capital formation in India? [5]

Question 10

- a) What is meant by price elasticity of supply and how to measure it? When the market price of a good is Rs 5, the producer supplies 10 units of a good and if the price increases to Rs 6, the producer is willing to supply 14 units. Calculate the price elasticity of supply of good. [5]
- b) What are the differences between public and private debt? [5]