
ICSE Board
Class X Economics
Board Paper – 2016

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) Define a direct tax. Give two examples. [2]
- b) State any two differences between an entrepreneur and other factors of production. [2]
- c) How does money help in maximising utility? [2]
- d) Explain two rights of a consumer. [2]
- e) Mention one way by which the Government can reduce the inequalities of income and wealth in an economy. [2]

Question 2

- a) What is meant by contraction in demand? [2]
- b) Mention two ways by which producers benefit from division of labour. [2]
- c) Mention the degree of price elasticity of demand for the following goods: [2]
(i) cosmetics (ii) medicine (iii) school uniform (iv) air conditioners
- d) Explain briefly two factors affecting the productivity of land. [2]
- e) A special virtue of indirect taxes is that, they sometimes help in social reforms. Explain. [2]

Question 3

- a) Define bank rate. [2]
- b) Mention two causes of increase in public expenditure in recent times. [2]

- c) Complete the following demand schedule: [2]

Price (in Rs)	Quantity of mangoes demanded (in kgs)
350.00	2
300.00	
250.00	
200.00	
150.00	
100.00	

- d) Draw a perfectly inelastic supply curve [2]
e) Explain one cause for low capital formation in India [2]

Question 4

- a) What is the impact of the level of technology on supply? [2]
b) Define creeping inflation. Why is it considered good for an economy? [2]
c) Mention two differences between fixed deposits and demand deposits. [2]
d) What is meant by a degressive tax system? [2]
e) Define simple division of labour. [2]

SECTION B (40 Marks)

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

Question 5

- a) Define demand. Explain clearly two factors which determine demand. [5]
b) Explain four important characteristics of labour as a factor of production. [5]

Question 6

- a) Define public expenditure. Explain two ways by which it promotes economic development. [5]
b) What is meant by efficiency of labour? Explain three causes of low efficiency of labour in India. [5]

Question 7

- a) With the help of a diagram explain the meaning of increase in supply and decrease in supply. [5]
b) What is meant by consumer awareness? Explain briefly four ways by which consumers are exploited [5]

Question 8

- a) Define money. Explain the primary functions of money. [5]
b) Mention five differences between a direct tax and an indirect tax. [5]

Question 9

- a) Explain briefly the five agency functions of a commercial bank. [5]
- b) Define capital. Differentiate the following with examples: [5]
 - (i) Real capital and debt capital
 - (ii) Money capital and sunk capital

Question 10

- a) What is meant by price elasticity of supply? Explain three factors which determine elasticity of supply. [5]
- b) Explain the following: [5]
 - (i) Internal debt and external debt
 - (ii) Productive debt and unproductive debt