

Quarterly Examination 2017-2018

Std. : X
Subject : Economic Applications

Full Marks : 100
Time : 2hrs.+15min.

[Attempt all questions from Part I and any four questions from Part II.

The intended marks of questions or parts of the questions are given in brackets ().

Part I (40 marks)

Attempt all questions from this part.

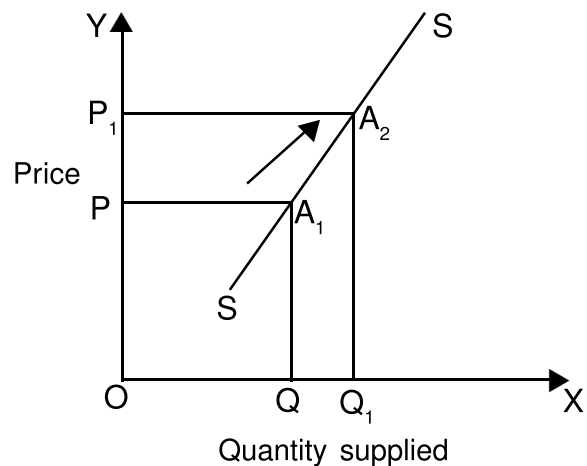
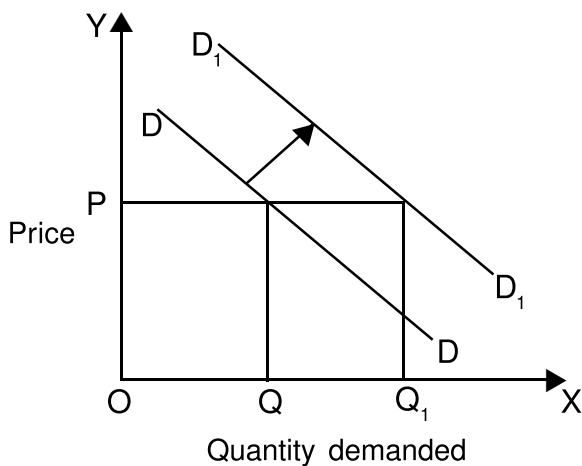
- QI.** (a) What is meant by derived demand. [2]
(b) Explain any two factors that affect the price elasticity demand. [2]
(c) What is meant by market in economics. [2]
(d) Define Monopsony. [2]
(e) When would the demand for a commodity not rise even after increase in consumer's income? [2]
- QII.** (a) Producers in a monopoly market are price-makers. Explain. [2]
(b) When the price of milk falls from Rs. 20 per litre to Rs. 15 per litre, the demand for milk rises from 10 litres to 12 litres. Find the price elasticity of demand. [2]
(c) Define perfect competitive market. Give an example. [2]
(d) Distinguish between stock and supply. [2]
(e) Why is supply elasticity higher in the long run than in the short run. [2]
- QIII.** (a) What is price discrimination under Monopoly market ? Give an example. [2]
(b) If the quantity demanded of a commodity X decreases as the house hold's income increases. What type of goods is X ? Give an example. [2]
(c) What is a backward sloping supply curve ? Explain with the help of a diagram. [2]
(d) For each of the following state whether it has inelastic demand or elastic demand.
(i) Insulin injection (ii) Mobile phone
(iii) Salt (iv) TV Set
(e) Explain how an increase in the prices of factors of production affect the supply of a commodity. [2]
- QIV.** State whether the following statements are true or false. Give reasons.
(a) An increase in income leads to a fall in the demand for normal goods. [2]
(b) A shift in the supply curve to the right is due to change in price. [2]

- (c) The price elasticity of demand for commodities having close substitutes is relatively high. [2]
- (d) Supply and price are inversely related. [2]
- (e) An increase in Taxes increase the supply of a commodity. [2]

Part II (60 marks)

Attempt any 4 questions from this part.

- QV.** (a) Why does the demand curve slope down wards from left to right ? Give reasons. [8]
 (b) What is meant by perfectly elastic demand ? Draw a diagram to show perfectly elastic demand and explain it. [7]
- QVI.** (a) (i) A change in supply curve when the price remains the same but the quantity of supply decreases. Draw a graph to depict the same. [7]
 (ii) With the help of a diagram show contraction in demand. [7]
 (b) Explain any four features of a Monopolistically competitive market. [8]
- QVII.** (a) Define perfectly competitive market and explain any three characteristics of perfectly competitive market. [7]
 (b) Briefly explain any four reasons for emergence of Monopoly market structure. [8]
- VIII.** (a) Explain any four factors affecting the market structure. [8]
 (b) What do you understand by price elasticity of demand. Draw a supply curve for each of the following situations :— (i) $e_s = 0$ (ii) $e_s = \infty$ (iii) $e_s < 1$
- QIX.** (a) State the Law of demand. Explain three exceptions to this law. [8]
 (b) With the help of an imaginary supply schedule draw a supply curve. State one exception to the law of supply. [7]
- QX.** (a) Explain any four determinants of demand. [8]
 (b) (i) Explain the following :— [7]



- (ii) What do you understand by Ceteris paribus ?