

QVIII. a. State and explain the elasticity of Supply :

When (7)

$$e_s = 0$$

$$e_s = \infty$$

$$e_s = 1$$

- b. What do you understand by Monopolistically competitive market? Explain any three features of this market. (8)

QIX. a. Explain any four factors which affect the elasticity of demand. (8)

- b. What do you understand by Monopoly Market? Explain how the following factors affects the elasticity of supply.

i. Time factor ii. Nature of the commodity
iii. Risk taking (7)

QX. a. Explain any three determinants of demand. (7)

- b. Explain any four characteristics of Monopoly market. (8)

Quarterly Examination - 2018-19

ECONOMIC APPLICATIONS

Class : X

Time : 2 Hrs. 15 mints

Full Marks : 100

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)

- Q1. a. Distinguish between stock and supply. (2)
- b. Give two important features of a Monopoly market. (2)
- c. Define Price Elasticity of demand (2)
- d. Give two reasons for the positive slope of a supply curve (2)
- e. If a farmer grows rice and wheat, how will increase in the price of wheat affect the supply curve of rice? Explain. (2)
- Q2. a. Explain the backward sloping supply curve. (2)
- b. Explain any two features of Monopsony Market (2)
- c. How do expectations that prices will fall in future affect the demand of a commodity? (2)
- d. What is product differentiation. To which market is it relevant? (2)
- e. Distinguish between substitute goods and complementary goods. (2)

- Q3. a. State one similarity between Monopoly and Monopolistic competition (2)
- b. Draw a Supply Curve. (2)
- c. Which of the following commodities have inelastic demand : (2)
- Match sticks, coffee, insulin, Air tickets
- d. Producer in a Monopoly Market is a price maker. Explain. (2)
- e. Calculate the elasticity of demand for the following data. (2)

Price (Rs.)	Quantity demanded (Units)
20	200
25	150

QIV. State true or false. Give reasons.

- A uniform price exists in a perfectly competitive market.
- Demand for inferior goods increases with increase in income.
- A demand curve shifts rightward when price decreases.
- When taxes increase supply decreases.
- A Monopsonist is a price taker.

PART II (60 Marks)

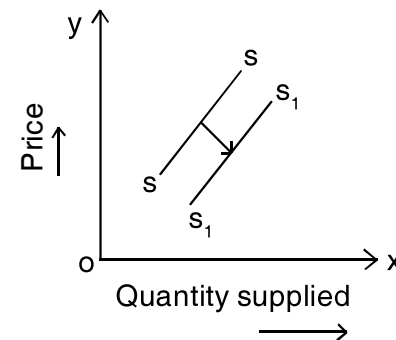
(Attempt any four questions)

- QV. a. Explain the four situations when the inverse relationship between price and quantity does not hold good. (8)

- b. Define Law of supply. Explain how the following factors effect the supply of a commodity : (7)
- State of technology
 - Prices of factors of production
 - Objectives of the producers

- QVI. a. Draw graphs to indicate each of the following : (8)
- A movement along the demand curve showing change in both price and quantity demanded.
- b. Why does the demand curve normally slope downwards? (7)

- QVII. a i. Explain the following diagram



- ii. Distinguish between movement along the demand curve and shift in the demand curve. (7)
- b. With the help of an example explain the meaning of price discrimination. To which market is it relevant? Explain any 2 similarities between a perfect market and a Monopolistically competitive market. (8)