



माध्यमिक शिक्षा मण्डल, मध्यप्रदेश, भोपाल

परीक्षार्थी द्वारा भरा जावे ↓

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परीक्षक एवं उपमुख्य परीक्षक द्वारा भरा जावे ↓  
 प्रमाणित किया जाता है कि मूल्यांकन के समय पूरक उत्तर पुस्तिकाओं की संख्या उपरोक्तानुसार सही पाई हो।  
 निर्धारित मुद्रा: नाम, पदनाम, मोबाईल नम्बर, परीक्षक क्रमांक एवं पदांकित संस्था के नाम की मुद्रा लगाएं।  
 उप मुख्य परीक्षक के हस्ताक्षर एवं निर्धारित मुद्रा: [Signature]

नोट :- "हायर सेकेंडरी परीक्षा में केवल वाणिज्य संकाय के विषयों तथा हाईस्कूल परीक्षा में प्रायोगिक विषय को छोड़कर शेष विषयों हेतु नियमित एवं स्वाध्यायी छात्रों के लिये प्रश्न पत्र 100 अंकों का होगा किन्तु नियमित छात्रों को 100 अंक के प्राप्तांक का 80% अधिभार एवं स्वाध्यायी छात्रों को 100 अंक के प्राप्तांक ही अंकसूची में प्रदर्शित किये जायेंगे।"

केवल परीक्षक द्वारा भरा जावे।  
 प्रश्न क्रमांक के सम्मुख प्राप्तांकों की प्रविष्टि करें।

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### Answers of Question $\Rightarrow 1$

- (i) Tute Industry ✓
- (ii) Diminishing ✓
- (iii) All of the above ✓
- (iv) None of these ✓
- (v) Fall in price of the given commodity ✓

### Answers of Question $\Rightarrow 2$

- (i) Five ✓
- (ii) Price ✓
- (iii) Stock ✓
- (iv) Perishable ✓
- (v) Equal ✓

### Answers of Question $\Rightarrow 3$

- (i) Relationship of demand for a commodity  $\Rightarrow$  By Law of Demand
- (ii) Relationship of supply of a commodity  $\Rightarrow$  By cost of commodity
- (iii) The Reserve Bank of India started  $\Rightarrow$  1935
- (iv) Banks are regulated by  $\Rightarrow$  Banking act, 1949
- (v) Accepting public deposits  $\Rightarrow$  Commercial Banks



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### Answers of question $\Rightarrow$ 4

- i) False ✓
- ii) True ✓
- iii) True ✓
- iv) True ✓
- v) True ✓

### Answers of question $\Rightarrow$ 5

- i) Finance Minister ✓
- ii) & Foreign Exchange Rate ✓
- iii) Balance of ~~Bo~~ Payments ✓
- iv) By deflation means decreasing the supply of foreign exchange in order to correct deficit in Balance of payment ✓
- v) To correct deficit in balance of payment ✓

### Answer of Question = 15 [or]

**Basis** Centrally Planned Economy  
**Meaning** Economy which is controlled and managed by govt is called centrally planned economy

**Control** It is controlled by government

**Motto** Its main motto is social welfare

**Market Economy**  
 Economy which is controlled and managed through market forces as is called Market Economy

It is controlled through market forces.

Its main motto is earning profit



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Price  
determinationGovernment has control  
over pricePrice are determined  
through market forces  
of demand & supplyAnswer of question  $\Rightarrow$  16 [or]

## Characteristics of perfectly competitive market

- B** i) Large no. of buyers & sellers  $\Rightarrow$  There are large no. of buyers and sellers in perfectly competitive market. Individual firm cannot control prices.
- S**
- E** ii) Homogenous product  $\Rightarrow$  All firms in perfectly competitive market sell homogenous products which are same in size, nature etc.
- (iii) No barriers on entry & exit  $\Rightarrow$  There are no barriers on entry and exit of firms. Any firm can enter and exit as per wish.
- (iv) Perfect knowledge  $\Rightarrow$  In perfect competition buyers and sellers have perfect knowledge about prevailing market prices and market conditions.

Answer of Question  $\Rightarrow$  17 [or]

Limitations of GDP as an index of welfare of a country

**B  
S  
E**

- (i) Pattern and distribution of income  $\Rightarrow$  The country which has unequal distribution of income, GDP does not show its welfare of people. For example - In India inspite of increase in GDP, there exists widespread poverty.
- (ii) Composition of GDP  $\Rightarrow$  Composition of GDP does not show direct welfare of people. For example - In GDP, the production of defence goods are also included. Defence goods do not promote public welfare in indirect way.
- (iii) Non-monetary transactions  $\Rightarrow$  In rural areas, there still exists barter system, it is not included in GDP, so it doesn't show true welfare.
- (iv) Increase in population  $\Rightarrow$  If in a country, the population is continuously increasing then GDP does not show true welfare of people.



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Answers of Question  $\Rightarrow$  18

## Functions of money

(i) **Medium of exchange**  $\Rightarrow$  Money is a medium of exchange between buying and selling. All goods and services are exchanged in terms of money.

(ii) **Standard of deferred payment**  $\Rightarrow$  Deferred payment means the payment of which is to be made in future. As the value of money is stable, so it is used as a standard of deferred payment.

(iii) **Store of value**  $\Rightarrow$  Unspent income in the form of savings and wealth can be stored in terms of money. Bank provides interest on deposits.

(iv) **Transfer of value**  $\Rightarrow$  Money can be transferred from one place to other. One can dispose off his property at one place and purchase a new property at other place.



# Answer of Question $\Rightarrow$ 19

## Propensity to consume

Propensity to consume is the relationship between disposable income and consumption. Increase in disposable income results in increases in consumption but since the rate of increase in income is more

## Marginal propensity to consume

**B  
S  
E**

Marginal propensity to consume means change in consumption due to change in disposable income. It is shown through following formula

$$\text{Marginal propensity to consume} = \frac{\Delta C}{\Delta Y}$$

where  $\Delta C =$  change in consumption  
 $\Delta Y =$  change in income

Marginal propensity to consume is related with marginal propensity to save because both increase with the increase in income and decrease with decreases with income. Both are related with income

~~Marginal propensity to Consume [MPC] + Avg propensity to Consume~~

$$MPC + MPS = 1$$



## Answer of Question $\geq 20$

Basis Meaning	<p><b>Revenue Expenditure</b> It neither creates any asset nor reduces any liability</p>	<p><b>Capital Expenditure</b> It either creates an asset or reduces a liability</p>
Nature	<p>It is regular and recurring in nature</p>	<p>It is irregular and non-recurring in nature</p>
Aim B S	<p>It aims at the normal functioning of departments</p>	<p>It aims at acquiring assets and repayment of loans.</p>
E Example	<p>Salary to staff, Expenses on administration etc etc</p>	<p>Purchasing of assets and granting of loans</p>

## Answer of Question $\geq 21$ [Or]

### Foreign Exchange rate

The rate at which one currency can be changed with other currencies is known as Foreign exchange rate.

Following are arrangements by ~~some~~ <sup>some</sup> countries to stable their external accounts



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- (i) Exchange control  $\Rightarrow$  It is one of the main reasons measures to correct <sup>deficit</sup> balance of payment. By this measure foreign exchange are controlled to decrease imports.
- (ii) Deflation  $\Rightarrow$  By deflation we mean Reducing the supply of currency, it helps in correcting and stabilising.
- B**
- S** (ii) Pegging  $\Rightarrow$  It is the type of exchange rate in which countries tie or pegged
- E** their exchange rate with the exchange rate of other country.
- (iii) Mono Parity value  $\Rightarrow$  It is type of arrangements in which currency of one country is tied in the terms of gold and other countries.
- (iii) Fixed Exchange rate  $\Rightarrow$  Many countries in order to stabilize their accounts fixed their ~~own~~ currency. This requires huge maintenance of reserve. This is done by Government.
- (iv) Managed floating rate  $\Rightarrow$  Managed floating rate is that rate in which



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exchange rate is determined partially by market forces and partially by central bank.

Answer of Question  $\Rightarrow$  11

Complements or complementary goods are those goods which is used jointly and cannot be used separately. Complementary goods shows ~~inverse~~ inverse relationship between price and demand. Complementary goods have joint demand.

**B  
S  
E**

Examples of Complementary Goods :-

- (i) Car and petrol
- (ii) Bread and Butter.

Answer of Question  $\Rightarrow$  12

Inferior goods are those goods, where the which represents inverse relationship between price <sup>income</sup> and demand of a ~~normal~~ inferior goods. In simple words when the income of a consumer increases ~~the~~ the demands ~~less~~ for inferior goods decreases and vice-versa.

Examples of inferior goods

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- (i) Coarse grains  
 (ii) Bajra  
 (iii) Maize

Answer of Question  $\Rightarrow$  13

(i) Total product refers to total quantity produced while Marginal product refers to change in total product due to additional unit produced by firm by adding one more unit of <sup>variable</sup> factors.

**B**  
**S**  
**E**

(ii) Marginal product is calculated on the basis of total product

$$MP = \frac{\Delta \text{change in Total products}}{\Delta \text{in unit of variable factors}}$$

(iii) Total product is maximum when marginal product is zero or minimum

(iv) Total product increases with increasing rate when marginal product increases, when marginal product decreases, total product increases but with decreasing rate, when marginal product is zero



Answer of Question  $\Rightarrow 14$  [or]

### Functions of Commercial Banks.

(i) Accepting of deposits  $\Rightarrow$  Commercial banks accept deposits of public and provide interest on such deposits. Deposits constitute vital part of commercial bank for their activities.

**B**  
**S**  
**E**  
(ii) Lending & Investment  $\Rightarrow$  Deposits accepted by Commercial banks provide loans to commercial sector i.e. industries agriculture on which they charge interest.

(iii) Collecting payments  $\Rightarrow$  Commercial banks collect payments of their clients. On instruction by proper instruction they collect interest, dividend on behalf of clients.

Answer of Question  $\Rightarrow 6$

Budget line is a graphical presentation of two commodities which can be purchased with given income at particular time. Budget line is also known as ice line.



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### Answer of Question $\Rightarrow$ 7

When the demand of a commodity in a market is more than the supply of a commodity, it is known as Excess demand. In simple form, it generates inflationary trends. It is represented by inflationary gap.

### Answer of Question $\Rightarrow$ 8 [08]

**B**  
**S**  
**E**

Perfect competition refers to that market in which there are large no. of buyers and sellers purchasing and selling homogeneous products at the uniform price. In this market buyers and sellers have perfect knowledge about market conditions.

### Answer of Question $\Rightarrow$ 9 [08]

Gross Domestic Product or GDP is the gross value of goods and services produced within the domestic territory of country in a particular time year. In GDP depreciation is not deducted and net factor income from abroad is not included.



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Answer of Question = 10 Part

Deficit budget refers to that budget in which estimated <sup>total</sup> expenditure exceeds the estimated total revenue. Deficit budget is considered as the best budget for economy.

Answer of Question  $\Rightarrow$  2/2

B

Factors affecting price elasticity of demand

S

E

(ii) Nature of commodity  $\Rightarrow$  Price elasticity of demand depends on nature of commodity. ~~If the~~ Necessities goods have inelastic demand, comfort goods have elastic demand and luxurious goods have highly elastic demand.

(iii) Habit  $\Rightarrow$  The commodity whose consumption is a habit of a consumer has less price elasticity of demand. For ex  $\Rightarrow$  price of cigarettes ~~is~~ rising but its demand hasn't diminished.

(iii) Joint Commodities  $\Rightarrow$  The price elasticity of demand also depends upon price elasticity of joint commodity. Jointly demanded commodities ~~have~~ <sup>have</sup> elastic demand.



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(iv) Postponing the consumption in future  $\Rightarrow$  If a person has postponed his consumption in near future, the demand for that commodity is elastic, because consumer doesn't feel its urgency.

(v) Several uses  $\Rightarrow$  If a commodity has several uses and can be put as several uses, the demand for a commodity is <sup>more</sup> elastic. For example  $\Rightarrow$  From milk we can make buttermilk, curd, sweets etc.

Answer of Question  $\Rightarrow$  23

Cause of operation of law of diminishing returns

- (i) Disturbance of optimum combination  $\Rightarrow$  If we disturb the optimum combination of factors then the law of diminishing returns starts to operate.
- (ii) Factors are limited  $\Rightarrow$  Factors are limited and it cannot be change as and when required. This results in decreasing returns.
- (iii) Lack of substitution of resources  $\Rightarrow$  Resources or factors can be substituted with each other at certain extent.



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for But after that level, cost of per production begins to increase.

(iv) Indivisibility of factors  $\Rightarrow$  We can increase variable factors to get benefit from indivisibility of factor at a certain extent, After that level every increase in variable factor results in less proportionate increase in production

(v) Diseconomies of Scale  $\Rightarrow$  A firm gets benefits of large scale at a certain limit. After that diseconomies begins to increase which results in operation of law of diminishing returns-

Answer of Question  $\Rightarrow$  25

### Significance of National Income

(i) Indication of Economic development  $\Rightarrow$  National Income indicates the pace of economic development if there is increase in national income it shows country is developing economically.

(ii) Helpful for Taxation policy  $\Rightarrow$  The data of national income is very helpful for government to formulate taxation policy. It is helpful in reducing disparities of income.





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(iii) Helpful for planning  $\Rightarrow$  The data of national income is helpful in making plans regarding consumption, production, investment etc.

(iv) Helpful for <sup>in</sup> comparison  $\Rightarrow$  By national income we can compare ~~our~~ growth of our country with growth of foreign country.

**B**  
**S**  
**F**  
(v) Helpful for International Trade  $\Rightarrow$  The data of national income is very helpful for making policies regarding trade, tariff policy, export-import policy etc.

Answer of Question  $\Rightarrow$  24

Market Equilibrium refers to that situation in which demand and supply curves intersect each other. In the point at which demand and supply meet it is known as equilibrium price. Equilibrium price is determined through intersection of demand and supply curves.

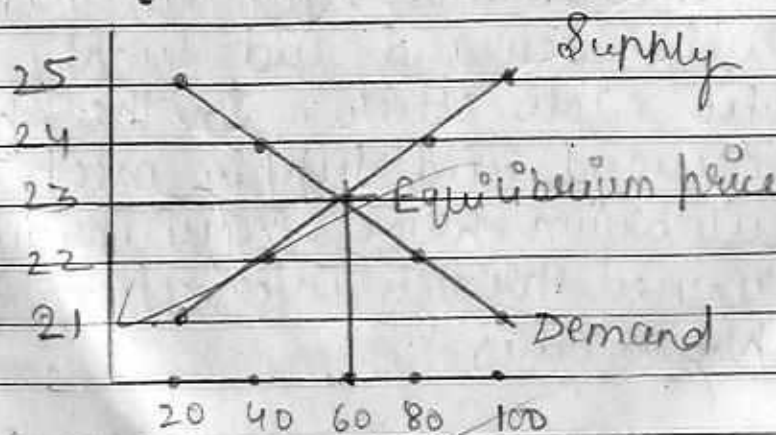
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## Assumptions of Farm Equilibrium

- (i) Demand curve has negative slope. It means it slopes downward to the right.
- (ii) Supply curve has positive slope. It is 45°.

### Explanation with Illustration Schedule of wheat

B S E	Price of commodity	Demand	Supply
		<del>20</del>	<del>120</del>
	21	100	20
	22	80	40
	23	60	60
	24	40	80
	25	20	100



So at the price 23, the equilibrium market price is set.



Answer of Question  $\Rightarrow$  26 [05]

## Evils of Money

(i) Not suitable where wants are limited  $\Rightarrow$  Money is not of much importance where wants are very limited so that because where wants are limited barter system is used

**B** (ii) Not suitable for rural areas  $\Rightarrow$  In rural areas people exchange  
**S** commodities from each other in terms of  
**E** barter

(iii) Rise to parallel economy  $\Rightarrow$  The evolution of money gives rise to parallel economy which is also known as black market.

(iv) Difficulty in measuring value of certain commodities  $\Rightarrow$  Since money has general acceptability, it is <sup>Common</sup> measure of value, but there are certain commodities, the value of which can't be determined through money.



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(V) Not suitable for ignorant  $\Rightarrow$  Money is of no use because people are ignorant and superstitious. It is because they are broad minded.

B  
S  
E