

$\frac{1}{4}$ ANSWER KEYSECOND YEAR HIGHER SECONDARY EXAMINATION March 2023PART-~~I~~/A/IIISUBJECT: ECONOMICSCODE NO: 54 ~~235~~ 535VERSION: T80 SCORES2½ HOURS

Qn. No	Sub Qns	Answer Key/Value Points	Score	Total Score
1		a) public goods	1	1
2		b) 0 and 1	1	1
3		c) Distribution of National income	1	1
4		d) Price = Average variable cost-	1	1
5		b) RBI	1	1
6		c) Decrease	1	1
7		d) GDP deflator	1	1
8		a) Surplus	1	1
9		b) Law of Returns to Scale	1	1
10		c) Zero	1	1
11		Intermediate good - Raw material or inputs for production of other commodities Example	1 1	2
12		money multiplier = $\frac{1}{CRR}$ $\frac{1}{25\%} = \frac{1}{0.25} = \underline{4}$	1 1	2
13		Indifference curve slopes downward from left to right, Higher IC's gives greater level of utility, Two IC's never intersect each other (Any two points)	1+1	2

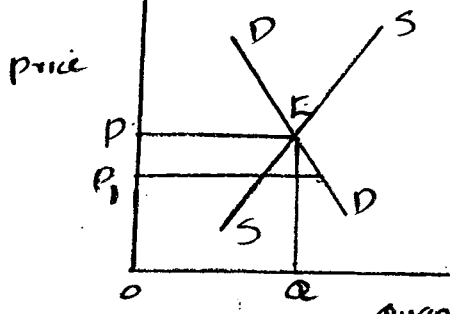
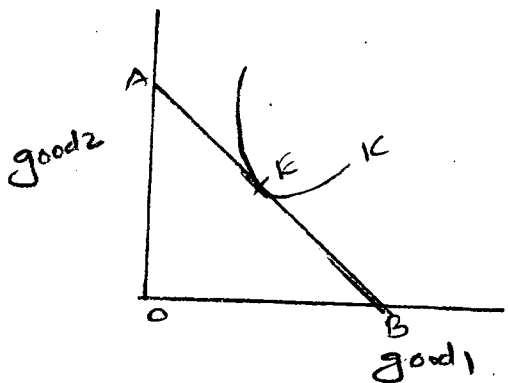
FROM 1 to 10 - ANY EIGHT

FROM 11-15  
ANY FOUR

Qn. No	Sub Qns	Answer Key/Value Points	Score	Total Score
14		Equilibrium price = 10 Equilibrium Quantity = 30	1 1	2
15		Allocation, Redistribution, Stabilization (Any 2 points)	1+1	2
16		IRS, CRS, DRS	1+1+1	3
17		large number of Buyers and sellers, Homogeneous products, Free entry or exit, perfect information, price takers etc) Any 3 points	1+1+1	3
18		$HI = m/p_1 = \frac{120}{15} = 8$ $VI = m/p_2 = \frac{120}{20} = 6$ Slope = $-p_1/p_2 = \frac{-15}{20} = -0.75$	1 1 1	3
19		Distribution of income, non-monetary exchanges, externalities	1+1+1	3
20		output market, financial market, labour market	1+1+1	3
21			1+1+1+1	4
22		Great Depression of 1929, unemployment situation, J.M Keynes, General Theory (Any 4 points)	1+1+1+1	4
23		DIAGRAM Flexible Exchange rate $\rightarrow$ market forces Explanation 	2 2	4

FROM 16-20 ANY FOUR

FROM 21-25 ANY FOUR

Qn. No	Sub Qns	Answer Key/Value Points	Score	Total Score
24		 <p>Diagram Explanation</p>	2 2	4
25		<p>market Economy → Private ownership, market mechanism,</p> <p>Centrally planned Economy → govt, planning mechanism</p> <p>[ANY TWO RELEVANT POINTS EACH]</p>	2 2	4
26		<p>Conditions → Budget line touches with indifference curve / equal slope</p> 	2 3	5
27		<p>Components of Budget</p> <pre> graph TD     A[Components of Budget] --&gt; B[Revenue Budget]     A --&gt; C[Capital Budget]     B --&gt; D[Revenue Receipts]     B --&gt; E[Revenue Expenditure]     C --&gt; F[Capital Receipts]     C --&gt; G[Capital Expenditure]     D --&gt; H[Tax]     D --&gt; I[Non-Tax]     </pre> <p>(Correct 5 points)</p>	5 (1+1+1+1+1)	5
28		<p>3 conditions - <math>MC = P</math> (<math>MC = MR</math>),  <math>MC</math> non decreasing,          short run <math>P \geq AVC</math></p> <p>Graphs</p>	3 2	5

FROM 26 - 30. ANY FOUR

Qn. No	Sub Qns	Answer Key/Value Points	Score	Total Score																																																																								
29	a	Definition of Price Elasticity of Demand	2	5																																																																								
	b	Equation $e = \frac{\Delta Q}{\Delta P} \times \frac{P}{Q}$ $= \frac{5}{25} \times \frac{100}{10} = \frac{500}{250} = 2$	1 1																																																																									
	c	more elastic (Elastic) / greater than one	1																																																																									
30	a	$MPC = \frac{\Delta C}{\Delta Y}$ $MPS = \frac{\Delta S}{\Delta Y}$	1 1	5																																																																								
	b	Equation of Investment Multiplier Investment multiplier = $\frac{1}{1-c} = \frac{1}{0.4} = 2.5$	1 2																																																																									
31		product method (value added method) expenditure method, income method Three methods with explanation (Listing of three methods only - 3 score)	3+3+2	8																																																																								
32		Instruments of monetary policy → open market operations, Bank rate, CRR, moral suasion, margin requirements, Repo rate, Reverse repo rate etc (Any 4 points with explanation) if points only - maximum 4 score	2+2+2+2	8																																																																								
33	a	<table border="1"> <thead> <tr> <th>Q</th> <th>TFC</th> <th>TVC</th> <th>TC</th> <th>AC</th> <th>AFC</th> <th>AVC</th> <th>SMC</th> </tr> </thead> <tbody> <tr> <td>0</td> <td>70</td> <td>0</td> <td>70</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>1</td> <td>70</td> <td>30</td> <td>100</td> <td>100</td> <td>70</td> <td>30</td> <td>30</td> </tr> <tr> <td>2</td> <td>70</td> <td>40</td> <td>110</td> <td>55</td> <td>35</td> <td>20</td> <td>10</td> </tr> <tr> <td>3</td> <td>70</td> <td>45</td> <td>115</td> <td>38.33</td> <td>23.33</td> <td>15</td> <td>5</td> </tr> <tr> <td>4</td> <td>70</td> <td>55</td> <td>125</td> <td>31.25</td> <td>17.5</td> <td>13.75</td> <td>10</td> </tr> <tr> <td>5</td> <td>70</td> <td>75</td> <td>145</td> <td>29</td> <td>14</td> <td>15</td> <td>20</td> </tr> <tr> <td>6</td> <td>70</td> <td>110</td> <td>180</td> <td>30</td> <td>11.67</td> <td>18.33</td> <td>35</td> </tr> <tr> <td>7</td> <td>70</td> <td>180</td> <td>250</td> <td>35.71</td> <td>10</td> <td>25.71</td> <td>70</td> </tr> </tbody> </table> Calculations (TVC, AC, AFC, AVC & SMC)	Q	TFC	TVC	TC	AC	AFC	AVC	SMC	0	70	0	70	-	-	-	-	1	70	30	100	100	70	30	30	2	70	40	110	55	35	20	10	3	70	45	115	38.33	23.33	15	5	4	70	55	125	31.25	17.5	13.75	10	5	70	75	145	29	14	15	20	6	70	110	180	30	11.67	18.33	35	7	70	180	250	35.71	10	25.71	70	1+1+1+1+1+1+1+1	8
	Q	TFC	TVC	TC	AC	AFC	AVC	SMC																																																																				
0	70	0	70	-	-	-	-																																																																					
1	70	30	100	100	70	30	30																																																																					
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b		Diagrams of TC, TFC & TVC curves	1+1+1																																																																									

FROM 31-33 ANY TWO

WWS

1. Binu Bosco  
HSST (Economics)  
Boys H.S.S. Karunagappally, 9446525232
2. BTIBI ABRAHAM ST. Thomas HSS Erumely 9747633002
3. ABDUL NASSAR.N. PMYHSS EDAPPALAM, Palakkad, 9447324989.
4. Boban J GHSS Sasthamicotta 9048837999
5. Shibu, F GIUHSS Poovachal (01138) 9446302268
6. Sabu T. Varghese, St. Thomas HSS  
Nedavayal 9447341178
7. CHANDRAMOHANAN KK PGMGHSS CHERUVANCHERY 9995915603
8. Abbas Manthry.M GHSS KUMILY - 9744131250
9. BIAIOT M.V, GSMHSS chelekkara 9446315002
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9847944009
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