

HSC Maharashtra State Board

Practice Test Paper

Sub: ECO (1,2,3,4 & 5)

Marks: 45 Marks

Time: 2Hrs

Date: 28/11/2022

Q.1 A) Complete the following statement by choosing the correct alternatives:

[3 Marks]

1. In the law of diminishing marginal utility, Alfred Marshall assumes that the marginal utility of money _____.

- a) increases
- b) remains constant
- c) decreases
- d) rises and then falls

2. When less units are demanded at a high price it shows _____.

- a) increase in demand
- b) expansion of demand
- c) decrease in demand
- d) contraction in demand

3. A rightward shift in supply curve shows _____.

- a) contraction of supply
- b) decrease in supply
- c) expansion of supply
- d) increase in supply

Q.1.B. Complete the correlation:

[3 Marks]

- a) Macro economic theory : Income and employment : : Micro economics : _____
- b) _____ : Linear demand curve :: _____ : non-linear demand curve.
- c) Single price : Perfect competition :: Discriminated prices : _____.

Q.1.C Give economic term:

[3 Marks]

- a) Degree of responsiveness of a change of quantity demanded of a good to a change in its price.
- b) A desire which is backed by willingness to purchase and ability to pay demand.
- c) Number of firms producing identical product

Q.1.D. Identify and explain the concept from the given illustration:

[4 Marks]

- a) Bhushan refused to eat fifth chapati after eating four chapatis.
- b) Shabana paid wages to workers in her factory and interest in her bank loan.

Q.1.E Assertion and Reasoning type of question:

[2 Marks]

1. **Assertion (A):** Degree of price elasticity is less than one in case of relatively inelastic demand.

Reasoning (R): Change in demand is less than the change in price.

Options

(A) is true, but (R) is false

(A) is false, but (R) is true

Both (A) and (R) are true and (R) is the correct explanation of (A)

Both (A) and (R) are true and (R) is not the correct explanation of (A)

2. **Assertion (A):** Elasticity of demand explains that one variable is influenced by another variable.

Reasoning (R): The concept of elasticity of demand indicates the effect of price and changes in other factors on demand.

Options

(A) is true, but (R) is false

(A) is false, but (R) is true

Both (A) and (R) are true and (R) is the correct explanation of (A)

Both (A) and (R) are true and (R) is not the correct explanation of (A)

Q.2. Answer the following: (Any 2)

[9 Marks]

- a) Explain the features of Micro Economics.
- b) Explain in detail the determinants of demand.
- c) Explain the importance of elasticity of demand.
- d) What is meant by Perfect competitions? State its features.

Q.3. Observe the following table and answer the question: [4 Marks]

Supply schedule of chocolates

Price in ₹	Quantity supplied in units
10	200
15	

20	300
25	350
30	
35	
40	

1. Complete the above supply schedule.
2. State the relationship between price and quantity supplied.
3. Draw a diagram for the above supply schedule.

Q.4. State with reason whether you agree or disagree with the following statement: (Any 3) [9 Marks]

- a) Microeconomics uses slicing methods.
- b) When the price of Giffen goods fall, the demand for it increases.
- c) Macroeconomics is different from microeconomics.
- d) Demand curve slopes downward from left to right.

Q.5. Distinguish between:(Any 3) [6 Marks]

- a) Perfectly elastic demand and perfectly inelastic demand.
- b) Desire and demand.
- c) Micro Economic and Macro Economic
- d) Stock and Supply.

Q.6. Answer in detail (Any 1) [6 Marks]

- a) State and explain the 'law of demand' with its exceptions.
- b) State and explain the law of Diminishing Marginal Utility and explain its exceptions.

***** ALL THE BEST *****