

# HSC Maharashtra State Board Practice Test Paper

Sub: ECO (6, 7 & 8)  
Time: 2Hrs

Marks: 50 Marks  
Date: \_\_\_\_\_

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**Q.1.A. Fill in the blanks with appropriate alternatives given in the brackets. [3 Marks]**

A) Obligatory function of the Government:

- a) Provisional of employment
- b) Maintaining internal law and order
- c) Welfare measures
- d) Exporting goods and services

B) Statements related to limitation of index numbers:

- a) Index numbers are not completely reliable
- b) There may be a bias in the data collated
- c) Every formula has some kind of defeat
- d) Index numbers ignore changes in the quantities of products

Options; 1) a, c & d      2) a, b & d    3) b, c & d    4) a, b, c & d

C)  $GDP_{(FC)} = GDP_{(MP)} - \underline{\hspace{2cm}}$

- a) factor cost
- b) Indirect taxes
- c) Depreciation
- d) Subsidy

**Q.1.B. Match the following groups [3 Marks]**

**Group A**

- i) Fees and Fine
- ii) Quantity Index
- iii) Disposal Income

**Group B**

- a)  $\frac{\text{Sum of P1Q1}}{\text{Sum of P0Q1}} \times 100$
- b) Factor Cost Method
- c) Personal Income Subsidiary
- d) Non-tax revenue

**Q.1.C. Define or explain the following concepts: (Any 2) [4 Marks]**

- 1) Balanced Budget
- 2) National income
- 3) Laaspeyre's Index

**Q.2.A Distinguish between: (Any 2)****[4 Marks]**

- 1) Simple Index Number and Weighted Index Number
- 2) Public Finance and Private Finance
- 3) Gross National Product and Net National Product

**Q.2.B. Write short notes on: (Any 2)****[8 Marks]**

- 1) Value added approach
- 2) The GST has replaced almost all indirect taxes in India.
- 3) Calculate Laaspeyre's and Paasche's index number from the given data:

Commodity	Base Year		Current Year	
	Price	Quantity	Price	Quantity
X	8	10	12	25
Y	10	42	20	16

**Q.3 Answer the following questions: (Any 2)****[8 Marks]**

- 1) Explain the principles of taxation.
- 2) State the precautions while using expenditure method to measure national income.
- 3) Explain the significance of Index numbers in economics.

**Q.4 State with reasons whether you agree or disagree with the following statements: (Any 2)****[6 Marks]**

- 1) There are many conceptual or theoretical difficulties in the measurement of national income.
- 2) Democratic government do not lead to increase in public expenditure.
- 3) Index number measure changes in the price level only.

**Q.5 Answer in detail: (Any 2)****[10 Marks]**

- 1) Explain various reason for the growth of public expenditure.
- 2) Explain the 'Final Good Approach' to avoid double counting of goods and services in the estimation of national income.
- 3) Explain the step involved in the construction of Index Number.

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