



KARNATAKA ICSE SCHOOLS ASSOCIATION

ICSE STD. X Preparatory Examination 2025

Subject – Economics

Duration : 2 Hours

Maximum Marks : 80

Date: 22.01.2025

General Instructions:

Answers to this paper must be written on the paper provided separately.

You will **not** be allowed to write during the first 15 minutes.

This time is to be spent on reading the question paper.

The time given at the head of this paper is the time allowed for writing the answers.

Section A is compulsory. Attempt **any four** questions from Section B.

The intended marks for questions or parts of questions are given in brackets [].

Section - A (40 marks)

Attempt all questions from this Section

Question - 1

Choose the correct answers to the questions from the given options.

(Do not copy the question, Write the correct answer only.)

[16]

a. When the percentage change in demand of a commodity is greater than the percentage change in its price, the Elasticity of demand for the commodity is

- (i) $E_d = 1$ (ii) $E_d > 1$ (iii) $E_d = 0$ (iv) $E_d < 1$

b. If the producer sells his complete stock at the prevailing market price, then supply will _____ with stock.

- (i) increase (ii) decrease (iii) coincide (iv) remain same

c. Under monopoly, the selling cost is incurred for

- (i) promoting the sale of the product
(ii) informative purposes
(iii) influencing customers for not buying products
(iv) differentiated products

d. The rate at which the RBI lends money to a commercial bank in India to meet their short term needs is

- (i) CRR rate (ii) SLR rate (iii) DSL rate (iv) Repo rate

e. If Thumbs Up and Coca Cola are close substitutes for each other, a rise in the price of Thumbs Up will lead to _____ for Coca Cola.

- (i) increase in demand
(ii) decrease in demand
(iii) increase in quantity supplied
(iv) no change in demand

f. Identify the type of market structure represented by the image below.



- (i) Oligopoly
- (ii) Monopoly
- (iii) Perfect Competition
- (iv) Government Market

g. The evolution of money started with _____

- (i) Commodity money
- (ii) Metallic money
- (iii) Bank money
- (iv) Animal money

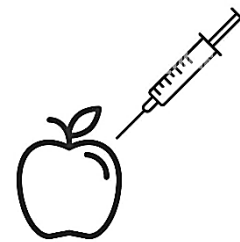
h. **Statement 1: Under perfectly elastic demand the quantity demanded remains constant regardless of price changes**

Statement 2: The demand curve is a vertical line

- (i) Statement 1 is true and Statement 2 is false
- (ii) Statement 1 is false and Statement 2 is true
- (iii) Both 1 and 2 are true
- (iv) Both 1 and 2 are false

i. **What is the effect of the action shown in the given picture?**

- (i) Leads to chronic health problems
- (ii) Dispute between sellers
- (iii) Unfair trade practices
- (iv) Increase in distribution



j. **Which of the following is not a function of public finance?**

- (i) Redistribution of income
- (ii) Stabilisation of the economy
- (iii) Encouraging personal savings
- (iv) Provision of public goods and services

k. **When the supply of a good is perfectly inelastic, the supply curve is**

- (i) Downward sloping
- (ii) Vertical
- (iii) Horizontal
- (iv) Upward sloping

l. **What is one major consequence of galloping inflation?**

- (i) Price decrease
- (ii) Rapid price increase
- (iii) Steady price increase
- (iv) Mild price increase

m. Mohit recently purchased an air conditioner from XYZ electronics. Upon delivery he noticed the air conditioner had dents. He also discovered that the cooling system was not working properly and he did not receive a satisfactory resolution after contacting XYZ electronics. Which of Mohit's consumer rights is primarily being violated in this scenario?

- (i) Right to fair trade practices
- (ii) Right to advertise
- (iii) Right to redressal
- (iv) Right to make a choice

n. The two goods in the image below can be identified as _____.

- (i) Substitute goods
- (ii) Inferior goods
- (iii) Complementary goods
- (iv) Veblen goods



o. Which of the following was not an objective behind the nationalisation of commercial banks?

- (i) Creation of public confidence in the banking system.
- (ii) Prevention of banking frauds.
- (iii) Expansion of banking facilities in the country.
- (iv) Prevent usage of bank funds for antisocial activities.

p. Which of the following is a characteristic of land?

- (i) A gift of nature
- (ii) Mobile
- (iii) Active factor of production
- (iv) Temporary

Question - 2

- a. Land is one of the most important factors of production. In this context, mention two factors that determine the productivity of land. [2]
- b. Differentiate between public debt and private debt. [2]
- c. Why does the RBI enjoy monopoly over note-issue? [2]
- d. State the Law of Demand. [2]

Question - 3

- a. Discuss any two characteristics of a Perfectly Competitive market. [2]
- b. India is the most populous country in the world, but its labour force continues to lag behind in terms of efficiency. Give two causes for low efficiency of labour in India. [2]
- c. State the significance of the given symbol. [2]

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- d. Distinguish between Redeemable and Irredeemable debts. [2]

Question - 4

- a. Distinguish between creeping inflation and walking inflation. [2]
- b. Discuss the objectives of Public Expenditure. [2]
- c. How is a Commercial Bank different from a Central Bank? [2]
- d. What is meant by cross elasticity of demand? [2]

Section - B (40 marks)

Attempt any four questions from this Section

Question - 5

- a. Discuss the drawbacks of the Barter System of Exchange. [5]
- b. The Division of Labour contributes to individuals, organisations and nations. Discuss. [5]

Question - 6

- a. Explain any five rights of a consumer as accepted by the Indian Law. [5]
- b. Discuss the causes of Demand Pull Inflation. [5]

Question - 7

- a. Discuss the economic causes behind the growth of Public Expenditure in India. [5]
- b. Differentiate between Direct and Indirect Taxes. [5]

Question - 8

- a. Define Demonetisation. Discuss its objectives. [5]
- b. Discuss the differences between a current account and a savings bank account. Elaborate on the agency functions of a Commercial Bank. [5]

Question - 9

- a. Explain the different price elasticities of supply. [5]
- b. Explain the term 'Giffen Goods'. Distinguish between Decrease in Demand and Contraction of Demand. [5]

Question - 10

- a. What are the essential features of a market? Discuss any three features of an Oligopoly market. [5]
- b. What are the major reasons behind the exploitation of consumers? Discuss any two features of COPRA. [5]
